

2004 COUNTY OF BEAVER, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2004**

Beaver County



Office of Controller

PREPARED BY RICHARD W. TOWCIMAK, CONTROLLER

Web Site: <http://co.beaver.pa.us>

County of Beaver, Pennsylvania

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2004

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RICHARD W. TOWCIMAK
CONTROLLER



VINCENT LaVALLE
DEPUTY CONTROLLER
ROBERT LEWIS, JR.
SOLICITOR

BEAVER COUNTY COURTHOUSE
THIRD STREET - BEAVER, PENNSYLVANIA 15009-2196
TELEPHONE: Area Code 724-728-5700

June 28, 2005

TO THE CITIZENS OF BEAVER COUNTY

I am pleased to present the Comprehensive Annual Financial Report ("CAFR") for Beaver County ("the County") for the 2004 fiscal year.

The CAFR consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The CAFR consists of three major parts: the Introductory Section, the Financial Section and the Statistical Section. The Introductory Section includes this transmittal letter which emphasizes significant management and financial details, the Certificate of Achievement for Financial Reporting awarded by the Government Finance Officers Association for the 2003 CAFR, an organizational chart, and a listing of principal officials and department managers. The Financial Section includes, under the new Governmental Accounting Standards Board Statement No. 34, as amended, the report of our independent auditors, the Management Discussion and Analysis, the basic financial statements, required supplementary information, and the combining and individual fund financial schedules. The Statistical Section contains information of a historical nature relating to County finances, demographics, and other miscellaneous statistics for the County.

The County's financial statements have been audited by Case, Sabatini & Company, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended December 31, 2004, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, evaluating the overall financial statement estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended December 31, 2004, are fairly presented in conformity with GAAP.

The independent audit of the financial statements of the County was part of a broader federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF BEAVER COUNTY

The County was formulated on March 12, 1800, from parts of Washington and Allegheny counties. It is 441 square miles and chartered as a fourth class county under the County Code as passed by the General Assembly of the Commonwealth of Pennsylvania. The current population of the County is approximately 182,000. Beaver County is comprised of thirty boroughs, five first class townships, seventeen second class townships and two third class cities. Rich in resources, its location along the Ohio and Beaver rivers gave Beaver County the ability to develop economically as one of the major industrial sites worldwide with steel being its major product. Beaver County rapidly developed as one of the major headquarters for manufacturing in the United States. After the decline of the steel industry in the early 1980's the County redirected its efforts to develop its riverfronts for recreational as well as manufacturing uses. Its close proximity to the Greater Pittsburgh International Airport enables the County to market itself as a center for manufacturing and service industries. Beaver County also has educational opportunities for residents with the Community College of Beaver County, Geneva College, and Penn State University Beaver Campus. The County also has medical facilities available to its residents with The Medical Center, Beaver and Aliquippa Community Hospital.

PROFILE OF BEAVER COUNTY – (Continued)

Beaver County's government structure consists of a three-member Board of Commissioners that performs all legislative and executive functions. The Controller is elected as the chief financial officer of the County and is responsible for many administrative functions. The Treasurer is elected to collect taxes and invest County funds. The Court of Common Pleas is the judicial arm of county government. There are six judges that preside over the Court of Common Pleas. Other court related Row Officers are the District Attorney, Clerk of Courts, Prothonotary, Sheriff, Register of Wills and Clerk of the Orphans Court, Recorder of Deeds, and Jury Commissioner.

All elected officials serve four-year terms with the exception of the Judges who are elected to ten year terms and are subject to a retention vote after their ten year term expires.

The County provides a full range of services to its citizens, ranging from health to law enforcement, from the construction and maintenance of infrastructure to recreational activities and cultural events. The County also provides funding to and aid in the management of the Beaver County Transit Authority and the Community College of Beaver County, legally separate entities which have been included as an integral part of the County's financial statements. Additional information on these entities can be found in Note A to the financial statements.

Under the provisions of the Fourth Class County Code, the Controller is responsible for maintaining the financial reporting system. The Controller is the supervisor of the budget. He is also responsible for auditing and payment of all County bills. In Beaver County the Controller is responsible for the payroll function as well. The Controller sits on many boards in an administrative capacity. As supervisor of the County budget, the Controller is responsible for monitoring the departmental line items on a daily basis as well as preparing a preliminary budget for the Board of Commissioners' approval. The budget process begins in late summer with each department receiving a budget request form to formally request operating allocations for the next fiscal year. Each department is required to submit the completed budget forms in order for the Controller to prepare a preliminary budget for presentation. The Board of Commissioners reviews this preliminary budget with each department manager in open meetings that may be attended by the public. Once a final budget is prepared it is publicly displayed for twenty days prior to final adoption by the Board of Commissioners. The date for final action on the budget adoption must be made a matter of public notice for at least ten days prior to the Commissioners' approval at a public meeting.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

FACTORS AFFECTING FINANCIAL CONDITION – (Continued)

The County is continuing to feel the effects of the downturn in the Airline Industry. Most recently, the Greater Pittsburgh International Airport lost its designation as HUB for USAirways. This has resulted in major job losses in the entire area and directly affected many communities in Beaver County. Other initiatives have been made to bring other airlines into Pittsburgh. Most recently, Southwest Airlines has begun to operate many flights out of Greater Pittsburgh International Airport.

LOCAL ECONOMY

Through the efforts of the Corporation of Economic Development, which is partially funded by the County, projects have been completed that enhance the Beaver County economy. Efforts are made to encourage diversified job creation and private investment. A summary of those activities and involved companies include those which are listed below.

The Corporation for Economic Development (CED) assists many qualifying businesses for loans to improve, expand or develop their operation that results in economic strength for Beaver County. One such effort was for Pocket Nurse Enterprises, Inc. Through the Pennsylvania Industrial Development Authority (PIDA), CED secured a \$400,000 loan for the company and assisted in the preparation of a \$200,000 Small Business First loan. This assistance enabled the company to purchase a warehouse in Ambridge which provided the expansion necessary for the company to grow. The company is a distributor of medical education supplies and equipment to the health educator industry.

Through CED efforts, Selectrode Industries was able to purchase over \$500,000 in equipment to address the company's increased production needs. Selectrode, located in the Hopewell Industrial Park, is a manufacturer of specialty maintenance welding alloys.

CED assisted Druzak Medical Inc., a distributor of pharmaceuticals, in obtaining a \$900,000 loan through the Pennsylvania Industrial Development Authority (PIDA), as well as a \$200,000 Small Business First loan. In doing so, the company was able to expand operations through the purchase of a vacant retail complex in the County.

LONG-TERM FINANCIAL PLANNING

In developing future economic strategies and potential prospects, we must make use of the natural resources that are available in Beaver County. One of the most prominent natural resources that Beaver County enjoys is its rivers. The County encourages and assists financially in the development of its riverfront for recreational, commercial, and residential use. The County also provides assistance through planning, tax incentives, marketing, and promotional activities.

The CED encourages Beaver County communities to develop their areas along the Beaver and Ohio rivers. The establishment of the Riverfront Development Program is entrusted with that mission. The river communities involved in the program are Fallston, New Brighton, Bridgewater, Rochester Borough, Rochester Township, Beaver, Freedom, Greene Township and Monaca. The communities have formed an advisory committee which selects and prioritizes the projects to be developed by the program.

A project currently underway is the New Brighton Fishing Park, which will provide access to the Beaver River for fishing. Another project underway is Bridgewater Crossing, which will provide recreational facilities on eight acres along the river.

In an effort to provide proactive, coordinated and comprehensive assistance to existing local industry, CED established the Beaver County Industrial Support Network (BCISN) as part of the Commonwealth's Team Pennsylvania program. The BCISN is an organized effort of eighteen (18) public and private groups involved in economic development. The group will provide annual on-site interviews with chief decision makers of local industry to develop a better understanding of Beaver County's industrial base and to attempt to address needs of local industry.

Another vehicle, established in an effort to ignite economic growth within the County, is the Beaver Initiative for Growth (BIG). BIG is an organization with 100 participants consisting of a variety of public agencies and private sector businesses. The group is committed to supporting long term economic development. This forum is responsible for promoting economic activity through open communications between the business community and government officials on federal, state and local levels. Through communication, business needs are discussed and legislation that may help to assist those needs and concerns is considered.

Combining efforts to accomplish a goal is essential in developing quality economic strategies that are common to more than one county organization. The CED and Beaver County Industrial Development Authority (IDA) are in their ninth year of a joint management services agreement. The IDA has approved over \$400,000 in tax-exempt financing during the past year through which PA bond financing was made available.

CERTIFICATE OF ACHIEVEMENT

The Beaver County Controller's Office was awarded the Certificate of Achievement for excellence in financial reporting by the Government Finance Officers Association (GFOA). The award was presented for the 2003 Comprehensive Annual Financial Report. It is given to those governmental units whose annual reports meet the program requirements and it is the highest award in government financial reporting. We are proud to have received such a prestigious award and continue to strive for reporting excellence in order to meet program standards. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

CONTROLLER'S CLOSING REMARKS

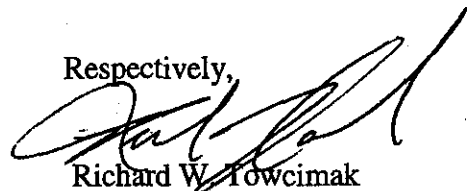
The information that is presented in this report reflects the unified effort of officials and administrators to provide the best possible services to the residents of Beaver County. By exercising prudent business practices and fiscally responsible decision-making, the County is able to offer many programs and extend financial assistance to those individuals that qualify. The administration and management are to accomplish a professional business environment.

The County continues in its efforts to obtain federal funding and funding available through the Commonwealth of Pennsylvania for mandated programs and services.

ACKNOWLEDGMENTS

The presentation of this report on a timely basis is the result of a cooperative effort of many individuals. I wish to thank my staff and those individuals that assisted in the preparation of this report. This report and additional county information may be reviewed online by visiting our web site at <http://co.beaver.pa.us>.

Respectively,



Richard W. Towcimak
Beaver County Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Beaver,
Pennsylvania

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Zeller

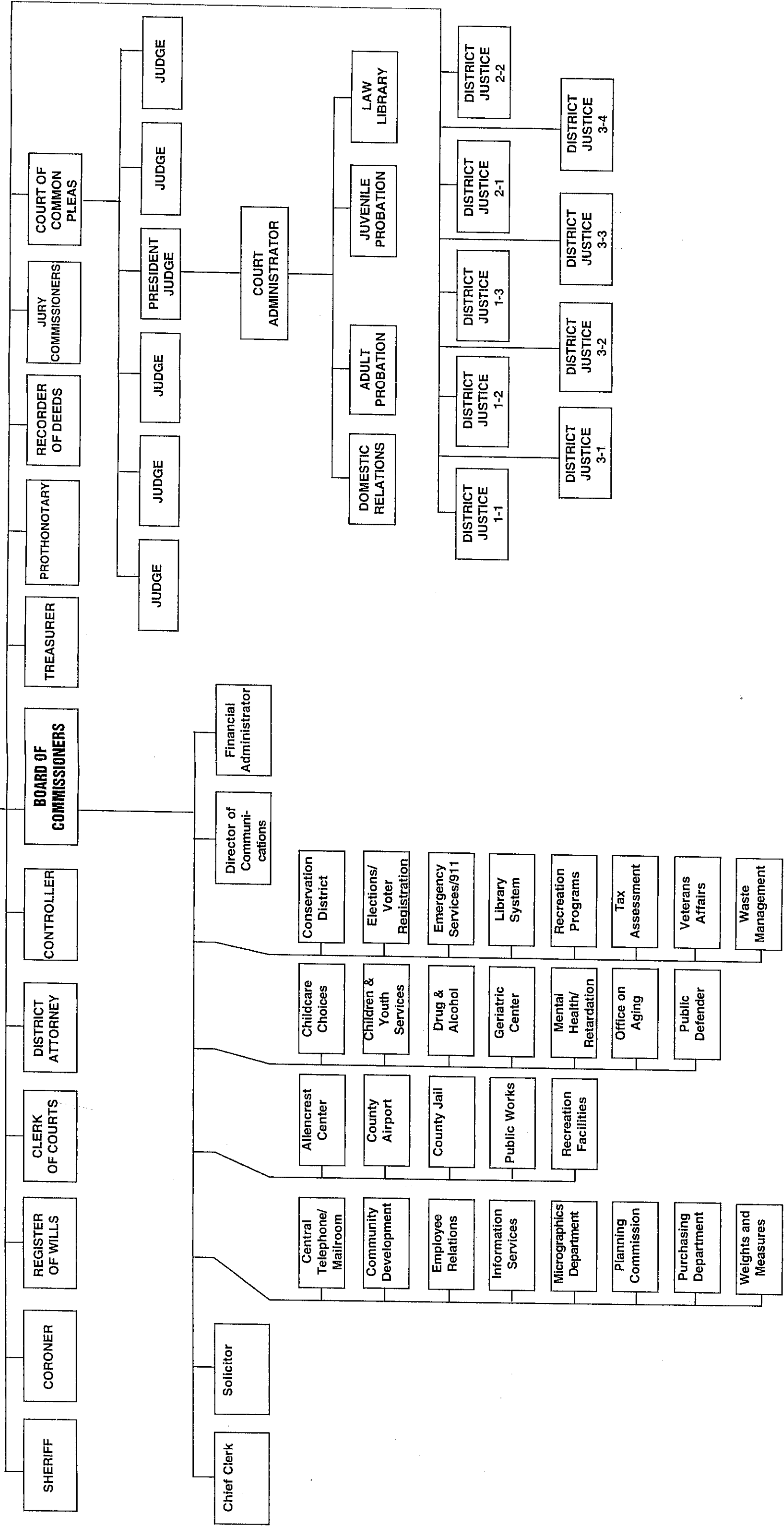
President

Jeffrey R. Enen

Executive Director

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ELECTORATE OF BEAVER COUNTY



**BEAVER COUNTY GOVERNMENT
ELECTED OFFICIALS**

BOARD OF COMMISSIONERS:	DAN DONATELLA, CHAIRMAN JOE SPANIK CHARLES A. CAMP	
CLERK OF COURTS:	JUDY R. ENSLEN	
CONTROLLER:	RICHARD W. TOWCIMAK	
CORONER:	WAYNE N. TATALOVICH	
DISTRICT ATTORNEY:	DALE FOUSE	
PROTHONOTARY:	NANCY C. WERME	
RECORDER OF DEEDS:	JANICE JESCHKE BEALL	
REGISTER OF WILLS:	CAROL R. FIORUCCI	
SHERIFF:	FELIX A. DeLUCA, JR.	
TREASURER:	CONNIE T. JAVENS	
JURY COMMISSIONERS:	DOROTHY COLELLA NANCY LOXLEY	
COURT OF COMMON PLEAS:	HON. ROBERT E. KUNSLEMAN HON. JOHN D. McBRIDE HON. GEORGE E. JAMES HON. C. GUS KWIDIS HON. RICHARD MANCINI HON. JOHN P. DOHANICH	
DISTRICT JUSTICES:	HARRY E. KNAFELC DONALD EILER JAMES DiBENEDETTO EDWARD C. HOWE MARTIN V. SCHULTE JOHN ARMOUR C. DOUGLAS LOUGHNER JANET SWIHART JOSEPH ZUPSIC	36-01-01 36-01-02 36-01-03 36-02-01 36-02-02 36-03-01 36-03-02 36-03-04 36-03-03

DEPARTMENT MANAGERS

ADULT PROBATION
AIRPORT
ALLENCREST
ASSESSMENT/TAX CLAIM
FRIENDSHIP RIDGE
CHIEF CLERK
CHILD CARE CHOICES
COMMUNITY DEVELOPMENT
COURT ADMINISTRATOR
DOMESTIC RELATIONS
ELECTIONS BUREAU
EMERGENCY SERVICES
FINANCIAL ADMINISTRATOR
DEPARTMENT OF PUBLIC WORKS
HUMAN RESOURCES
INFORMATION TECHNOLOGY
JAIL WARDEN
JUVENILE PROBATION
LAW LIBRARY
LIBRARY COMMISSION
MENTAL HEALTH/MENTAL RETARDATION
MICROGRAPHICS
OFFICE ON AGING
PLANNING COMMISSION
PUBLIC DEFENDER
PURCHASING/MAILROOM
RECREATION
VETERANS ADMINISTRATION
VICTIM SERVICES
WASTE MANAGEMENT
WEIGHTS AND MEASURES

ED COLONNA
BETH LaVALLE
ROBERT ROSE
MICHAEL KOHLMAN
ANTHONY ZELENKA*
TRACEY PATTON
JOE PIROLI
LISA SIGNORE
JOSEPH CABRAJA
JOE SIGNORE
DORENE MANDITY
WES HILL
ROB CYPHERT
JAMES CAMP
RICHARD DARBUT
FRANK SIGNORE
WILLIAM SCHOUPPE
DEBORAH KUNSELMAN
BETTY DENGEL
DIANE AMBROSE
GERARD MIKE
CHARLES HILT
BEVERLY SULLIVAN
FRANK MANCINI
JOSEPH BUDICAK
MARY ANNE RUSKIN
TOM KING
WILLIAM MUNS
STEPHEN JURICH
CHARLES RAABE
DAN SANTIA

* Contract with Premiere Management.

ELECTED OFFICIALS

BOARD OF COMMISSIONERS

The Board of Commissioners are the chief executive officers of the County. They are responsible for all legislative and administrative functions of the County.

CLERK OF COURTS

The Clerk of Courts is the chief clerk of the Court of Common Pleas. The Clerk of Courts is responsible for maintaining court records and collecting all court related fines and fees.

CONTROLLER

The Controller is the chief financial officer of the County who is responsible for supervising the budget, financial reporting, auditing, accounts payable and payroll. In addition, the Controller sits on many boards and is responsible for many administrative functions relating to those boards.

CORONER

The Coroner is responsible for inquiries/inquests relating to wrongful and/or suspicious deaths for the County.

DISTRICT ATTORNEY

The District Attorney is the chief prosecutor for the County.

PROTHONOTARY

The Prothonotary is responsible for maintaining court records and filings relating to divorce, civil cases, filing financial statements, liens and issuing passports.

RECORDER OF DEEDS

The Recorder of Deeds is responsible for the official filing of all property transfers within the County. This includes recordation of mortgages as well as deeds for properties sold.

ELECTED OFFICIALS – (Continued)

REGISTER OF WILLS

The Register of Wills is responsible for issuing marriage licenses, legal filings of estates and collecting estate taxes.

SHERIFF

The Sheriff is the chief law enforcement officer for the County.

TREASURER

The Treasurer is responsible for collecting taxes levied by the County, investing County funds and issuing licenses for small games of chance and dog permits.

JURY COMMISSIONERS

The Jury Commissioners are responsible for the jury selection process for the Court of Common Pleas.

COURT OF COMMON PLEAS

There are six judges that preside over the Court of Common Pleas within Beaver County. They are responsible for hearing cases and legal decisions in addition to overseeing the Court system of Beaver County.

DISTRICT JUSTICES

There are nine District Justices within Beaver County that are established by district. They are responsible for arraignments, hearing minor claims, and traffic violations for Beaver County.

DEPARTMENT DESCRIPTIONS

ADULT PROBATION

This office administers the probation procedures as established by the Court system. The office is responsible for monitoring adult individuals who are serving court-mandated probation in addition to administering state and federal grants that are received for such purposes.

AIRPORT

This department is responsible for the safe and efficient operation of the Beaver County Airport. This includes enforcing Federal Aviation Administration policies and administering grants that are in effect for various airport projects.

ALLENCREST JUVENILE DETENTION CENTER

The center operates within guidelines as established by the court system pertaining to juveniles. This center houses and monitors juveniles while providing necessary counseling as required by the courts.

ASSESSMENT / TAX CLAIM

This office is responsible for enforcing taxes levied by the Board of Commissioners for real estate. It assesses all properties within the County and manages the tax system.

CHIEF CLERK

The Chief Clerk is an administrative assistant to the Board of Commissioners.

CHILD CARE CHOICES

This department is responsible for the managed care program for children within Beaver County and it administers the grant programs that are established for those purposes by the Commonwealth and Federal government.

CHILDREN AND YOUTH SERVICES

This agency oversees the programs which the County provides under grants awarded by the Commonwealth and Federal governments for the welfare of children. The agency provides families as well as children with various services such as counseling and foster care.

DEPARTMENT DESCRIPTIONS (Continued)

COMMUNITY DEVELOPMENT

This department is responsible for the administration of Federal and Commonwealth grants that are provided to the County for various programs. These programs assist in private and public development and improvement such as main street renovations and infrastructure repairs.

CONSERVATION DISTRICT

The agency is responsible for environmental and soil erosion programs for the County. The agency is also responsible for the administration of grant programs awarded through Federal and Commonwealth governments.

COURT ADMINISTRATOR

This administrative office of the Court manages the Court system within Beaver County. This entails all activities and responsibilities of the Court system, as well as the offices that are responsible for those activities.

INFORMATION SERVICES

This office is responsible for managing information services which are provided for the County. The department provides technical services and support for various hardware and software programs in operation as well as communication systems. The department also directs the central telephone system.

DEPARTMENT OF PUBLIC WORKS

This department manages various County projects, parks, road maintenance, rodent control, buildings and grounds and minor repairs.

DOMESTIC RELATIONS

This court related office is responsible for providing and managing services that are under the auspices of the Court system regarding domestic (family) problems and court situations.

ELECTIONS BUREAU

This office is responsible for all activities involving primary, general and special elections within Beaver County.

DEPARTMENT DESCRIPTIONS (Continued)

EMERGENCY SERVICES

This office is responsible for managing and administering all activities that pertain to emergency situations affecting Beaver County. The 911 Center of Beaver County is under this jurisdiction.

FINANCIAL ADMINISTRATOR

This individual is responsible for the preparation of the County's budget.

JAIL

The jail serves as a detention center for individuals awaiting trial or sentenced to serve time for minor violations or on work release programs mandated by the Court.

HUMAN RESOURCES

This department is responsible for all activities pertaining to human resources for Beaver County. Included in this array of services are employee hiring, discharge, rehabilitation efforts, administering EEOC compliance, and labor relations activities.

LAW DEPARTMENT

This department acts as general legal counsel for the County. They directly report to the Board of Commissioners but assist all county offices and departments with legal expertise.

LIBRARY COMMISSION

The commission administers the library system of Beaver County. The system is composed of ten member libraries and a bookmobile. Each library is responsible for managing its own budget and is supported by Federal, Commonwealth, and County funds.

MAIL ROOM

This department is responsible for mail distribution for the County.

DEPARTMENT DESCRIPTIONS – (Continued)

MENTAL HEALTH/RETARDATION

This agency provides services for individuals needing assistance due to dependencies or addictions to controlled substances and alcohol abuse. The services provided are mental health, mental retardation, and drug and alcohol programs in forms of self-help and advocacy organizations. They also provide counseling, case management, prevention/intervention, outpatient and inpatient services, and treatment. The agency is able to provide such services through grants offered by Federal, Commonwealth and County funding.

MICROGRAPHICS

This department provides microfilming services and record assistance to all Beaver County offices.

OFFICE ON AGING

This agency is responsible for administering all programs provided by Beaver County to senior citizens. The types of services include but are not limited to: information and referral, care management, homemaker service, personal and attendant care, adult day care, respite care and ombudsman services. This agency is able to provide services through funding provided by the Federal, Commonwealth, and County governments.

PUBLIC DEFENDER

The Public Defender is responsible for providing legal services to indigent individuals as required by the Courts.

PURCHASING/CENTRAL SERVICES

This department is responsible for all procurement for the County. In addition, it is responsible for maintaining all records for fixed assets and manages the mailroom.

RECREATION AND TOURISM PROMOTION

This department is responsible for administering all recreational programs offered by the County, management of County recreational facilities, and promoting tourism within the County.

DEPARTMENT DESCRIPTIONS - (Continued)

VETERANS AFFAIRS

This department provides services and information to veterans and their families concerning benefits and it administers the Federal, Commonwealth, and County laws pertaining to burial of deceased veterans and their spouses.

VICTIM WITNESS

This department operates under the auspices of the District Attorney's Office. It provides assistance to individuals that had been victimized by a crime or witnessed a crime.

WASTE MANAGEMENT

This department manages the recycling program for Beaver County.

WEIGHTS AND MEASURES

This department is responsible for the testing and review of all weighing and measuring devices both public and private within Beaver County and offering the necessary certifications of compliance.

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CASE SABATINI

June 28, 2005

The Board of County Commissioners
and the Beaver County Controller
County of Beaver
Beaver, Pennsylvania

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Beaver County, Pennsylvania (the County) as of December 31, 2004, and for the year then ended, which collectively comprise the County's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the component units' financial statements of the Beaver County Transit Authority and the Community College of Beaver County. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Beaver County Transit Authority and the Community College of Beaver County, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of Beaver County, Pennsylvania as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report, dated June 28, 2005, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 20 through 32 and the respective budgetary comparisons for the general fund and major special revenue funds on pages 102 through 105 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparisons of the nonmajor special revenue funds and capital projects funds, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparisons of the nonmajor special revenue funds and capital projects funds have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Case, Sabatini & Company

Certified Public Accountants

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the County of Beaver (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The County's real property tax was maintained at 15.7 mills for a third consecutive year.
- Financial information for the Community College of Beaver County is presented along with the County's financial statements for the second time. The County helped fund the operations of the College by providing \$2.4 million during the year.
- The County owned nursing facility, Friendship Ridge, incurred a \$1.8 million loss during the year.
- In the face of continuing economic difficulties, tax revenues increased by approximately \$0.1 million.
- The County maintained an investment grade bond rating of AAA insured from Standard & Poor.
- The County became self-insured for worker's compensation, resulting in significant savings.
- The County offered early retirement which was taken by 38 employees.
- The 2004 Annual Required Contribution to the pension trust fund was \$3,652,159.
- The County Issued a Tax Anticipation Note January 1, 2004 to provide for short-term financing needs. This note was repaid in March 2004.
- The Conservation District was discontinued as a County agency as of December 17, 2004.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements,

and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net assets* provides information showing the status of the County's financial position at year-end. It reports the availability of assets for future use and is an important management tool in financial planning. The statement distinguishes those assets used exclusively with regards to government operation versus those assets committed to the business operation of government.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as uncollected taxes, earned but unused vacation leave, accrued interest on long-term debt, accrued payroll, and intergovernmental receivables.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County are general government, judicial, public safety, public works and enterprise, culture, recreation, conservation, and human services. The business-type activities of the County are Friendship Ridge, Emergency Services, and Health Choices.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also two legally separate entities, the Beaver County Transit Authority and the Community College of Beaver County, for which the County provides subsidies and appoints their boards. Financial information for these *component units* are reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 33-36 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. This fund grouping is used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable

resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Immediately following both the governmental funds' balance sheet and the governmental funds' statement of revenues, expenditures, and changes in fund balances, a statement is presented that provides a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains sixteen individual governmental funds. Information is presented separately in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures, and changes in fund balance for the General Fund, Mental Health / Mental Retardation, Children & Youth, and the Community Development, all of which are considered to be major funds. Data from the other twelve governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules elsewhere in this report. The County adopts an annual appropriated budget for its governmental funds.

The basic governmental funds financial statements can be found on pages 37-42 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for Friendship Ridge, Emergency Services, and Health Choices. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions.

The County uses an internal service fund to account for the medical benefits and the workers compensation claims of the County's employees. Because this service predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds' financial statements provide separate information for Friendship Ridge and for Health Choices, both of which are considered to be major funds of the County, and for Emergency Services, which is a non-major fund. The proprietary funds' financial statements also provide separate information for the County's internal service fund.

The basic proprietary funds' financial statements can be found on pages 43-48 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefits of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 49-50 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 51-100 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison statements for the general fund and major special revenue funds which have been provided to demonstrate compliance with the budget.

Required supplementary information can be found on pages 101-106 of this report.

The combining schedules referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Combining and individual fund schedules can be found on pages 107-129 of this report.

Government-wide Financial Analysis

This analysis focuses on the Primary Government (see above). Separate financial statements for the County's component units, including their management's discussion and analysis, can be obtained from the component units at the addresses disclosed in Note A.

Analysis of Net Assets

Net assets are a useful indicator of a government's financial position. For the County, total assets exceeded liabilities by \$16,911,538 and \$23,902,685 at December 31, 2004 and 2003, respectively.

County of Beaver's Statement of Net Assets
(in thousands)

The following is a summary of the County's Statement of Net Assets as of December 31, 2004 and 2003:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	2004	2003	2004	2003	2004	2003
Assets:						
Current and Other Assets	\$ 26,655	\$ 24,375	\$ 18,396	\$ 20,174	\$45,051	\$ 44,549
Capital Assets	73,323	76,077	12,186	13,498	85,509	89,575
	99,977	100,452	30,582	33,672	130,560	134,124
Liabilities:						
Long-Term Liabilities Outstanding	85,048	85,056	5,506	6,019	90,554	91,075
Other Liabilities	17,724	13,394	5,371	5,752	23,095	19,146
	102,772	98,450	10,877	11,771	113,649	110,221
Net Assets:						
Invested in Capital Assets, net of related debt	3,334	1,138	8,564	8,882	11,898	10,020
Restricted		-	7,147	7,128	7,147	7,128
Unrestricted	(6,128)	864	3,994	5,891	(2,134)	6,755
	\$ (2,794)	\$ 2,002	\$ 19,705	\$ 21,901	\$ 16,912	\$ 23,903

A significant portion of net assets are largely restricted for specific legal purposes in the HealthChoices program

Changes in Net Assets

The County's net assets decreased by \$4,795,745 and \$14,957,954 for the years ended December 31, 2004 and 2003, respectively. The mix of County revenues remained essentially unchanged from 2003. Approximately 40% of the County's revenue came from grants and contributions, 41% for services provided, and 19% from taxes on real property. The corresponding figures for 2003 were 41%, 38%, and 20% respectively. The County's expenses cover a wide range of services. The largest share of expenses continues to be incurred for human services, Health Choices and Friendship Ridge.

The following summarizes the County's Statement of Activities for the years ended December 31, 2004 and 2003.

County of Beaver's Statement of Activities
(in thousands)

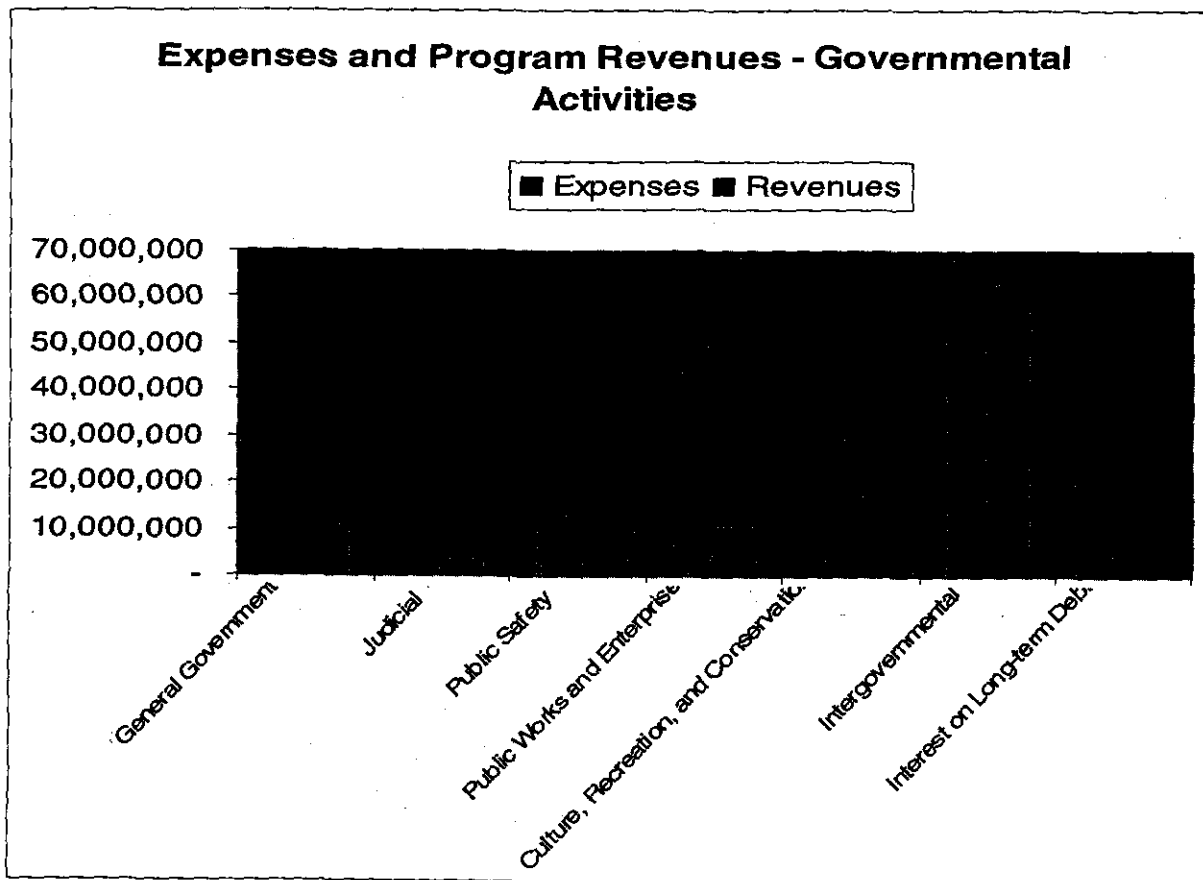
	Governmental Activities		Business-type Activities		Totals	
	2004	2003	2004	2003	2004	2003
<i>Program Revenues:</i>						
Fees and Charges	\$ 11,545	\$ 10,460	\$ 63,791	\$ 53,300	\$ 75,336	\$ 63,760
Operating Grants and Contributions	74,331	70,376	-	-	74,331	70,376
<i>General Revenues:</i>						
Real Estate Taxes	32,992	32,829	-	-	33,992	32,829
Investment Income	830	987	111	146	941	1,133
Unrestricted Gifts	-	-	10	5	10	5
	119,698	114,652	63,912	53,451	183,610	168,103
<i>Program Expenses:</i>						
General Government	10,896	9,268	-	-	10,896	9,268
Judicial	12,973	13,136	-	-	12,973	13,136
Public Safety	12,186	13,236	-	-	12,186	13,236
Public Works and Enterprises	13,402	14,429	-	-	13,402	14,429
Culture, Recreation and Conservation	3,040	3,536	-	-	3,040	3,536
Human Services	67,920	61,905	-	-	67,920	61,905
Miscellaneous	502	795	-	-	502	795
Interest Expense	3,951	3,845	-	-	3,951	3,845
Friendship Ridge	-	-	47,415	45,551	47,415	45,551
Emergency Services	-	-	1,474	1,669	1,474	1,669
Health Choices	-	-	16,835	15,595	16,835	15,595
Total Expenses	124,870	120,150	65,724	62,815	190,594	182,965
Deficiency Before Other Items and Transfers	(5,172)	(5,498)	(1,812)	(9,364)	(6,984)	(14,862)
Gain (Loss) on Disposals	(7)	(96)	-	-	(7)	(96)
Transfers	383	(108)	(383)	108	-	-
Change in Net Assets	(4,796)	(5,702)	(2,195)	(9,256)	(6,991)	(14,958)
Net Assets - Beginning	2,002	7,704	21,901	31,157	23,903	38,861
Net Assets - Ending	\$ (2,794)	\$ 2,002	\$ 19,706	\$ 21,901	\$ 16,912	\$ 23,903

Analysis of Changes in Net Assets

The County's net assets decreased by \$6,991,147 and \$14,957,954 for the years ended December 31, 2004 and 2003, respectively. This decrease is explained in the governmental and business-type activities discussion below.

Governmental Activities

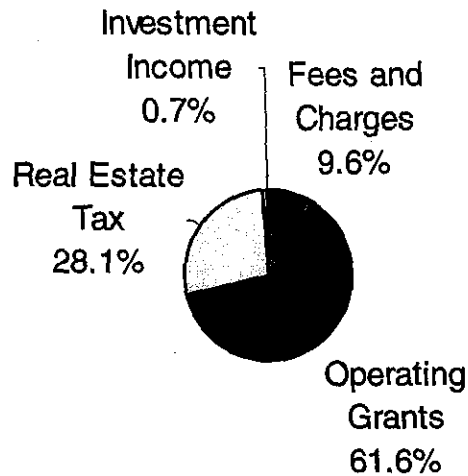
Governmental Activities decreased the County's net assets by \$4,795,745. Key elements of the decrease are higher expenses for providing general government and human services.



In the general government function, increased expenditures for two early retirement incentives and county-wide severance/unemployment payments for laid-off employees, have increased Expenditures by \$1 million while revenues increased slightly.

In the human services function, increases in revenue of \$1.3 million were not enough to cover the increases in expense of \$6.1 million due to increased demand for services.

Revenues by Source- Governmental Activities



Business-type Activities

Business-type activities decreased the County's net assets by \$2,195,402 for the year ended December 31, 2004. Friendship Ridge, accounted for virtually the entire decrease.

Friendship Ridge incurred a loss for the third year in a row due primarily to continued pressure by the Federal Government to cut back on Medicare/Medicaid reimbursements, despite the increasing costs of providing medical services.

Financial Analysis of the County's Individual Funds

Governmental Funds

The focus of the County's Governmental Funds is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At December 31, 2004, the County's Governmental Funds reported a combined ending fund balance of \$7,646,480; a decrease of \$4,165,567 in comparison to the previous year. \$7,301,603 of this total amount or 95% represents unreserved fund balance, which is available for spending at the County's discretion in the coming year.

The General Fund is the main operating fund for the County. Its fund balance decreased by approximately \$1.3 million during 2004 and \$1 million during 2003. The County is continuing its efforts to control expenditures. The General Fund is discussed in more detail in the General Fund budgetary highlights section (see below).

The Mental Health / Mental Retardation fund decreased by approximately \$0.13 million during 2004 and \$0.35 million during 2003. Service Costs continue to increase, while intergovernmental revenues struggle to keep pace. The County anticipates that the fund's current decrease will be recaptured during the coming year once the County is able to recognize revenues currently deferred.

The Children & Youth fund decreased by \$0.4 million during 2004 as compared to an increase of \$0.5 million during the prior year. This was primarily due to timing differences in intergovernmental revenues. The Children & Youth fund had a fund balance of \$0.47 million at December 31, 2004.

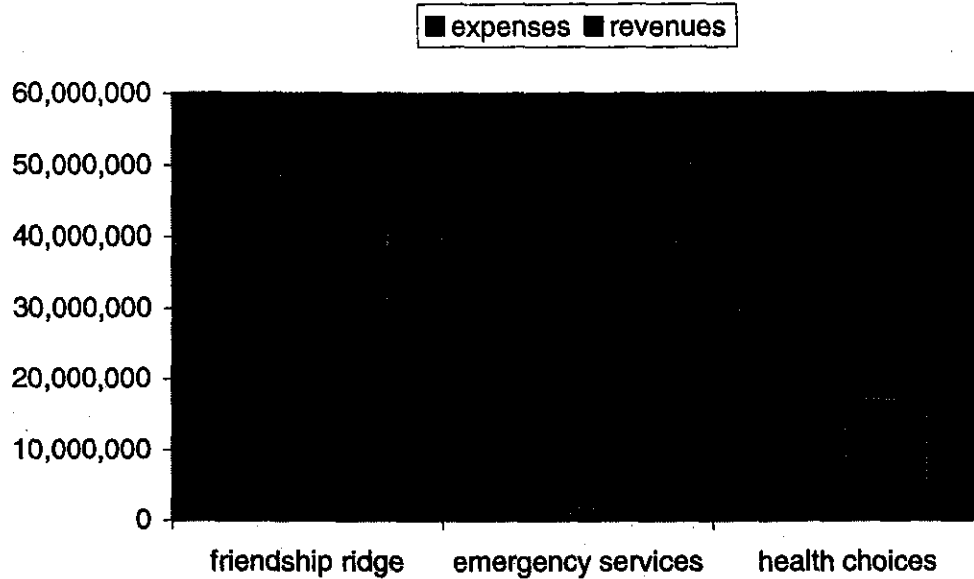
The Community Development fund increased by \$0.5 million during 2004 as compared to a decrease of \$0.083 million during the prior year. This increase was primarily due to timing differences in intergovernmental revenues. The Community Development fund had a fund balance of \$1.4 million at December 31, 2004.

The County's numerous nonmajor funds experienced a small decrease in fund balance of \$4 thousand and \$0.46 million during 2004 and 2003, respectively. The main source of this decrease during the current year was the continued spending of the balances in the nonmajor capital project funds.

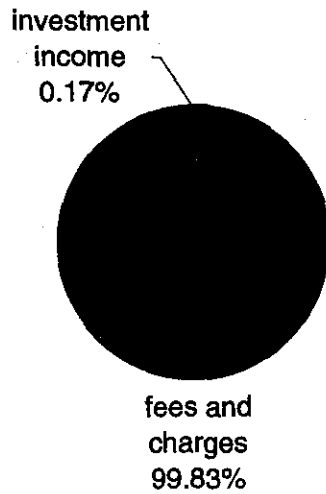
Proprietary Funds

The County's Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail. Please refer to the analysis of the changes in net assets for business-type activities for a discussion of Friendship Ridge and the Health Choices program.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Fiduciary Funds

The County maintains Fiduciary Funds for the Pension Trust Fund and several agency funds. Pension Trust Fund net assets increased by \$10,948,443 as compared to an increase of \$23,791,435 during 2003. The increase during the current year was due in large part to increases in the fair value of investments and the County's contribution pursuant to its fiduciary responsibilities.

General Fund Budgetary Highlights

During any given year there are many factors that may change a budget from the *original* approved version to the *final* ending version. There may be changes in policies, revenue sources or unexpected events that have a financial impact upon the county and require that the budget be adjusted to reflect those circumstances.

The General Fund's budgeted revenues were increased by \$0.9 million from the original budget primarily due to an increase in intergovernmental revenues. These changes in intergovernmental revenues were due to grant awards that were received but not anticipated at the time the original budget was approved.

The General Fund's budgeted expenses were increased by \$2.8 million from the original budget during the year. Three primary reasons exist for this increase. First, the \$1.5 million required contribution to the retirement fund was not budgeted in the original budget. Second, salaries and benefits expenditures increased because of two early retirement incentive / severance payments. Third, the original budget was increased by \$0.5 million due to additional amounts payable to the Beaver County Transit Authority for the required County match of certain Federal and State grants.

In reviewing the General Fund budget, there are differences between actual amounts and those budgeted that are due to various business and economic factors within the County. General Fund expenses ended approximately \$3.2 million under budget. The County had operated fiscally prudent, with each department manager monitoring employee expenses (overtime, travel), delaying major purchases, and imposing a freeze on job creation. The net result was a savings which enabled the County not to raise taxes for 2004. The current millage for Beaver County is 15.7.

County of Beaver's Capital Assets
(in thousands and net of depreciation)

What follows is a summary of the County's capital assets as of December 31, 2004 and 2003.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Land	\$ 1,874	\$ 1,874	\$ 216	\$ 42	\$ 2,090	\$ 1,916
Buildings and Improvements	65,970	68,321	4,429	4,724	70,399	73,046
Vehicles	358	415	-	-	358	415
Furniture and Equipment	3,498	3,980	7,715	8,732	11,213	12,712
Infrastructure	<u>1,622</u>	<u>1,486</u>	<u>-</u>	<u>-</u>	<u>1,622</u>	<u>1,486</u>
Total	<u>\$73,322</u>	<u>\$76,077</u>	<u>\$ 12,360</u>	<u>\$ 13,497</u>	<u>\$ 85,682</u>	<u>\$ 89,575</u>

Additional information on the County's capital assets can be found in Note F on pages 76-79 of this report.

Outstanding Debt, at Year End

Here is a summary of the County's long-term debt at December 31, 2004 and 2003:

	<u>2004</u>	<u>2003</u>
Governmental activities		
General obligation debt	\$68,713,457	\$70,463,893
Other long-term debt	<u>4,030,000</u>	<u>4,180,000</u>
Governmental activities	72,743,457	74,643,893
Business-type activities	<u>5,505,416</u>	<u>6,018,792</u>
Total	<u>\$ 78,248,873</u>	<u>\$ 80,662,685</u>

The County's general obligation bond rating is 'AAA' insured from Standard and Poor. More detailed information about the County's long-term liabilities can be found in Note J on pages 87-95 of this report.

Economic Factors

The County has suffered significant losses in employment with the downsizing of USAirways. USAirways is the largest employer for Beaver County residents and is becoming a regional carrier. USAirways will no longer have Pittsburgh International as a HUB. Therefore, we are expecting further job losses for County residents.

Beaver County has been able to maintain a steady millage rate for three consecutive years and still maintain a positive fund balance without curtailing services to County residents. The Commissioners and elected officials continue to market Beaver County to entice tourists to visit the area and businesses to locate within the area.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Office of the Controller
Beaver County Courthouse
810 Third Street
Beaver, Pennsylvania, 15009-2196

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BASIC FINANCIAL STATEMENTS

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County of Beaver, Pennsylvania

STATEMENT OF NET ASSETS
December 31, 2004 or June 30, 2004

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 14,131,053	\$ 7,240,802	\$ 21,371,855
Restricted Cash	-	2,680,050	2,680,050
Investments	1,784,464	1,216	1,785,680
Receivables	9,355,389	7,194,334	16,549,723
Internal Balances	188,297	(188,297)	-
Supplies	-	252,804	252,804
Prepaid Expenses	809,257	634,049	1,443,306
Other Assets	386,522	580,650	967,172
Land	1,874,354	42,075	1,916,429
Buildings and Improvements	82,753,036	10,668,894	93,421,930
Vehicles	2,478,399	-	2,478,399
Furniture and Equipment	13,358,036	27,382,963	40,740,999
Infrastructure	1,694,988	-	1,694,988
Accumulated Depreciation	(28,835,974)	(25,907,534)	(54,743,508)
TOTAL ASSETS	<u>\$ 99,977,821</u>	<u>\$ 30,582,006</u>	<u>\$ 130,559,827</u>
LIABILITIES			
Accounts Payable and Other			
Current Liabilities			
Accounts Payable	\$ 6,846,843	\$ 1,386,429	\$ 8,233,272
Internal Balances	-	-	-
Compensated Absences	2,050,000	400,000	2,450,000
Accrued Interest	1,106,294	91,209	1,197,503
Accrued Other Liabilities	1,440,687	959,249	2,399,936
Resident Funds	-	240,760	240,760
Deferred Revenues	5,383,407	128,629	5,512,036
Accrued Healthcare Costs	896,370	2,164,705	3,061,075
Noncurrent Liabilities			
Due within one year	2,639,287	540,000	3,179,287
Due in more than one year	82,409,004	4,965,416	87,374,420
TOTAL LIABILITIES	<u>\$ 102,771,892</u>	<u>\$ 10,876,397</u>	<u>\$ 113,648,289</u>
NET ASSETS			
Invested in Capital Assets			
net of related debt	\$ 3,333,611	\$ 8,564,335	\$ 11,897,946
Restricted for:			
Restricted Fund	-	1,500,000	1,500,000
Risk and Contingency	-	3,000,000	3,000,000
Reinvestment	-	2,646,922	2,646,922
Unrestricted	(6,127,682)	3,994,352	(2,133,330)
TOTAL NET ASSETS	<u>\$ (2,794,071)</u>	<u>\$ 19,705,609</u>	<u>\$ 16,911,538</u>

Component Units

Beaver County Transit Authority as of June 30, 2004	Community College of Beaver County as of June 30, 2004
\$ 552,365	\$ 2,740,205
-	-
-	215,844
2,523,196	1,930,858
-	-
140,963	198,947
74,689	255,424
-	214,699
3,286,121	952,288
14,147,514	17,193,510
9,158,529	94,152
1,006,189	4,547,515
-	-
(7,725,271)	(14,328,511)
<u>\$ 23,164,295</u>	<u>\$ 14,014,931</u>
\$ 304,254	\$ 732,918
-	-
-	713,264
-	30,302
187,399	1,468,980
-	-
1,755,072	388,533
-	300,000
-	620,825
-	6,840,998
<u>\$ 2,246,725</u>	<u>\$ 11,095,820</u>
\$ 19,873,082	\$ 1,711,576
-	47,580
-	-
-	-
1,044,488	1,159,955
<u>\$ 20,917,570</u>	<u>\$ 2,919,111</u>

The accompanying notes are an integral part of this financial statement.

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County of Beaver, Pennsylvania

STATEMENT OF ACTIVITIES

For the Years Ended December 31, 2004 or June 30, 2004

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Fees and Charges	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General Government	\$ 10,896,002	\$ 6,747,064	\$ 6,397,625	\$ -
Judicial	12,972,500	303,751	2,810,281	-
Public Safety	12,186,450	-	124,054	-
Public Works and Enterprises	13,401,626	776,312	9,054,232	-
Culture, Recreation and Conservation	3,040,058	-	-	-
Intergovernmental				
Human Services	67,919,948	1,274,498	55,944,305	-
Miscellaneous	501,769	2,443,662	-	-
Interest Expense	3,951,019	-	-	-
Total Governmental Activities	<u>124,869,372</u>	<u>11,545,287</u>	<u>74,330,497</u>	<u>-</u>
Business-Type Activities				
Friendship Ridge	47,414,926	45,586,326	-	-
Emergency Services	1,473,907	1,435,183	-	-
Health Choices	16,835,814	16,769,458	-	-
Total Business-Type Activities	<u>65,724,647</u>	<u>63,790,967</u>	<u>-</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	\$ 190,594,019	\$ 75,336,254	\$ 74,330,497	\$ -
Component Units:				
Beaver County Transit Authority	9,509,410	863,068	6,645,208	528,670
Community College of Beaver County	22,429,392	15,982,984	7,826,656	-
TOTAL COMPONENT UNITS	\$ 31,938,802	\$ 16,846,052	\$ 14,471,864	\$ 528,670

General Revenues:

Real Estate Taxes
Investment Income
Unrestricted Gifts
Loss on Disposals
Transfers

Total General Revenues
and Transfers

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

**Net (Expenses) Revenues and
Change in Net Assets**

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Beaver County Transit Authority for the year ended June 30, 2004	Community College of Beaver County for the year ended June 30, 2004
‡				
\$ 2,248,687	\$ -	\$ 2,248,687	\$ -	\$ -
(9,858,468)	-	(9,858,468)	-	-
(12,062,396)	-	(12,062,396)	-	-
(3,571,082)	-	(3,571,082)	-	-
(3,040,058)	-	(3,040,058)	-	-
(10,701,145)	-	(10,701,145)	-	-
1,941,893	-	1,941,893	-	-
(3,951,019)	-	(3,951,019)	-	-
(38,993,588)	-	(38,993,588)	-	-
-	(1,828,600)	(1,828,600)	-	-
-	(38,724)	(38,724)	-	-
-	(66,356)	(66,356)	-	-
-	(1,933,680)	(1,933,680)	-	-
<u>\$ (38,993,588)</u>	<u>\$ (1,933,680)</u>	<u>\$ (40,927,268)</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	-	(1,472,464)	-
-	-	-	-	1,380,248
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,472,464)</u>	<u>\$ 1,380,248</u>
32,991,875	-	32,991,875	-	-
829,642	110,890	940,532	-	2,973
-	10,381	10,381	-	-
(6,667)	-	(6,667)	(1,505)	(190,901)
382,993	(382,993)	-	-	-
34,197,843	(261,722)	33,936,121	(1,505)	(187,928)
(4,795,745)	(2,195,402)	(6,991,147)	(1,473,969)	1,192,320
2,001,674	21,901,011	23,902,685	22,391,539	1,726,791
<u>\$ (2,794,071)</u>	<u>\$ 19,705,609</u>	<u>\$ 16,911,538</u>	<u>\$ 20,917,570</u>	<u>\$ 2,919,111</u>

The accompanying notes are an integral part of this financial statement.

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County of Beaver, Pennsylvania

**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2004**

	<u>General</u>	<u>Mental Health/ Mental Retardation</u>	<u>Children & Youth</u>
ASSETS			
Cash and Cash Equivalents	\$ 650,277	\$ 1,335,929	\$ 1,308,323
Investments	264	-	-
Prepaid Other	21,937	744,753	16,890
Receivables	1,219,176	882,219	3,588,999
Due From Other Funds	<u>2,566,271</u>	<u>463,710</u>	<u>329,177</u>
TOTAL ASSETS	<u>\$ 4,457,925</u>	<u>\$ 3,426,611</u>	<u>\$ 5,243,389</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 1,411,968	\$ 3,310,404	\$ 549,509
Due to Other Funds	841,486	104,344	1,201,660
Accrued Wages and Payroll Costs	1,312,148	-	-
Accrued Other Liabilities	128,539	-	-
Deferred Revenues	<u>-</u>	<u>162,904</u>	<u>3,023,106</u>
TOTAL LIABILITIES	3,694,141	3,577,652	4,774,275
FUND BALANCES			
Unreserved, Designated	17,605	13,767	51,782
Unreserved, Undesignated			
General Fund	746,179	-	-
Special Revenue Funds	-	(164,808)	417,332
Capital Projects Funds	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>763,784</u>	<u>(151,041)</u>	<u>469,114</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,457,925</u>	<u>\$ 3,426,611</u>	<u>\$ 5,243,389</u>

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<u>Community Development</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Fund</u>
\$ 6,733,673	\$ 3,738,049	\$ 13,766,251
-	1,780,082	1,780,346
-	15,033	798,613
303,268	843,368	6,837,030
-	16,926	3,376,084
<u>\$ 7,036,941</u>	<u>\$ 6,393,458</u>	<u>\$ 26,558,324</u>
\$ 479,385	\$ 922,268	\$ 6,673,534
31,677	260,643	2,439,810
-	-	1,312,148
-	-	128,539
<u>5,125,610</u>	<u>46,193</u>	<u>8,357,813</u>
5,636,672	1,229,104	18,911,844
-	261,723	344,877
-	-	746,179
1,400,269	3,341,774	4,994,567
-	<u>1,560,857</u>	<u>1,560,857</u>
<u>1,400,269</u>	<u>5,164,354</u>	<u>7,646,480</u>
<u>\$ 7,036,941</u>	<u>\$ 6,393,458</u>	<u>\$ 26,558,324</u>

The accompanying notes are an integral part of this financial statement.

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County of Beaver, Pennsylvania

**RECONCILIATION OF GOVERNMENTAL FUND BALANCES
TO THE STATEMENT OF NET ASSETS
December 31, 2004**

		Total Governmental Fund
		<hr/>
TOTAL FUND BALANCES		\$ 7,646,480
Receivables for real estate taxes not available to pay for current period expenditures, and therefore, are deferred in the funds.		2,338,273
Deferred revenues for intergovernmental receivables not available to pay for current period expenditures, and, therefore are not recognized government-wide.		2,974,406
Costs associated with the issuance of bonds are deferred in the statement of net assets and reported as Other Assets, net of accumulated amortization.		386,522
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Land	\$ 1,874,354	
Buildings and improvements	82,753,036	
Vehicles	2,478,399	
Furniture and equipment	13,358,036	
Infrastructure	1,694,988	
Accumulated depreciation	<u>(28,835,974)</u>	73,322,839
Accrued interest and accrued vacation payable are not recognized in governmental funds.		
Accrued interest payable	(1,106,294)	
Accrued vacation payable	<u>(2,050,000)</u>	(3,156,294)
Noncurrent liabilities not due and payable in the current period, and therefore, not reported in the funds. Those liabilities consist of:		
General obligation bonds payable	(68,713,457)	
Other general long-term liabilities -		
PFA Series 2002 Bonds	(4,030,000)	
Capital lease obligations	(8,402,497)	
Swaption and Basis Cap	(2,871,500)	
Accrued sick and early termination benefits payable	<u>(1,030,837)</u>	(85,048,291)
An internal service fund is used by management to account for medical benefits of the County employees. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets.		<u>(1,258,006)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u>\$ (2,794,071)</u>

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2004

	General	Mental Health/ Mental Retardation	Children & Youth	Community Development
REVENUES				
Real Estate Taxes	\$ 32,890,800	\$ -	\$ -	\$ -
Licenses and Permits	77,137	-	-	-
Interest and Rents	634,139	56,705	24,404	18,885
Intergovernmental Revenues	3,670,768	31,699,110	13,743,403	8,082,942
Charges for Services and Facilities	6,014,249	-	-	-
Project Income	588,306	984,078	217,609	693,901
Miscellaneous	1,637,788	43,164	725,381	-
TOTAL REVENUES	45,513,187	32,783,057	14,710,797	8,795,728
EXPENDITURES				
Current				
General Government	9,377,814	-	-	-
Judicial	9,756,823	-	-	-
Public Safety	11,267,716	-	-	-
Public Works and Enterprises	3,329,851	-	-	8,303,593
Culture, Recreation and Conservation	2,803,330	-	-	-
Intergovernmental				
Human Services	7,716,049	33,095,660	14,884,578	-
Miscellaneous	501,769	-	-	-
Debt Service				
Principal	1,900,436	-	-	-
Interest	1,620,559	-	-	-
Capital Outlay				
Infrastructure	10,900	-	-	-
Capital Asset Acquisition and Improvements	251,759	118,000	164,852	-
TOTAL EXPENDITURES	48,537,006	33,213,660	15,049,430	8,303,593
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,023,819)	(430,603)	(338,633)	492,135
OTHER FINANCING SOURCES (USES)				
Proceeds from Basis Cap	1,378,305	-	-	-
Transfers from Other Funds	704,329	-	-	-
Transfers to Other Funds	(317,007)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,765,627	-	-	-
NET CHANGE IN FUND BALANCE	(1,258,192)	(430,603)	(338,633)	492,135
Fund Balance - Beginning	2,021,976	279,562	807,747	908,134
Fund Balance - Ending	\$ 763,784	\$ (151,041)	\$ 469,114	\$ 1,400,269

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 32,890,800
-	77,137
93,888	828,021
14,420,844	71,617,067
-	6,014,249
526,343	3,010,237
<u>37,329</u>	<u>2,443,662</u>
15,078,404	116,881,173
42,425	9,420,239
2,932,305	12,689,128
79,690	11,347,406
1,042,349	12,675,793
-	2,803,330
10,657,846	66,354,133
-	501,769
-	1,900,436
2,170,490	3,791,049
157,002	167,902
<u>622,242</u>	<u>1,156,853</u>
<u>17,704,349</u>	<u>122,808,038</u>
(2,625,945)	(5,926,865)
-	1,378,305
326,800	1,031,129
<u>(331,129)</u>	<u>(648,136)</u>
<u>(4,329)</u>	<u>1,761,298</u>
(2,630,274)	(4,165,567)
<u>7,794,628</u>	<u>11,812,047</u>
<u>\$ 5,164,354</u>	<u>\$ 7,646,480</u>

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2004**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$	(4,165,567)
Some expenditures in governmental funds benefit future periods, and therefore, are not reported as expenditures in the statement of activities.			(24,614)
Revenue timing differences resulted in greater revenue for real estate taxes in the statement of activities.			101,075
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			2,713,430
The differences due to capital assets are as follows:			
1. Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:			
Capital outlay	\$	1,324,755	
Depreciation expense		<u>(4,072,317)</u>	(2,747,562)
2. The effect of the disposal of capital assets is to decrease net assets by the net book value of the disposed assets.			(6,667)
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.			
Changes in accrued interest payable		(235,993)	
Changes in accrued vacation payable		<u>(55,966)</u>	(291,959)
The difference due to Non-current liabilities are:			
1. The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.			
Bond principal payments		1,900,436	
Capital lease obligation payments		136,693	
Proceeds of Basis Cap transaction		<u>(1,360,000)</u>	677,129
2. Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.			
Amortization of original issue discount - refunding bonds		(2,047)	
Loss on refunding issue		<u>(21,412)</u>	(23,459)
3. The expense for sick leave and early termination benefits does not require the use of current financial resources. These items are reported as a non-current liability in the statement of net assets.			(669,815)
An internal service fund is used by management to account for medical benefits of the County employees. The net loss of the activity of the internal service is reported with governmental activities.			
			<u>(357,736)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		\$	<u>(4,795,745)</u>

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2004**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Friendship Ridge	Health Choices	Other - Non Major Fund Emergency Services 911	Totals	Risk Management Fund
ASSETS					
Current assets:					
Cash and Cash Equivalents	\$ 1,304,663	\$ 5,699,856	\$ 236,283	\$ 7,240,802	\$ 364,802
Restricted Cash	240,760	2,439,290	-	2,680,050	-
Receivables	6,524,985	538,785	130,564	7,194,334	180,086
Supplies	252,804	-	-	252,804	-
Due from Other Funds	-	874	-	874	45,023
Prepaid Expenses	38,630	595,419	-	634,049	10,644
Total current assets	<u>8,361,842</u>	<u>9,274,224</u>	<u>366,847</u>	<u>18,002,913</u>	<u>600,555</u>
Non-current assets:					
Investments	1,216	-	-	1,216	4,118
Land	42,075	-	-	42,075	-
Buildings and Improvements	10,668,894	-	-	10,668,894	-
Furniture and Equipment	25,247,678	101,983	2,033,302	27,382,963	-
Less Accumulated Depreciation	(24,160,573)	(55,033)	(1,691,928)	(25,907,534)	-
Other Assets	580,650	-	-	580,650	-
Total non-current assets	<u>12,379,940</u>	<u>46,950</u>	<u>341,374</u>	<u>12,768,264</u>	<u>4,118</u>
TOTAL ASSETS	<u>\$20,741,782</u>	<u>\$ 9,321,174</u>	<u>\$ 708,221</u>	<u>\$ 30,771,177</u>	<u>\$ 604,673</u>
LIABILITIES					
Current liabilities:					
Accounts Payable	\$ 1,300,746	\$ 64,723	\$ 20,960	\$ 1,386,429	\$ 173,309
Compensated Absences	400,000	-	-	400,000	-
Due to Other Funds	-	16,106	173,065	189,171	793,000
Accrued Interest	91,209	-	-	91,209	-
Accrued Other Liabilities	409,658	549,591	-	959,249	-
Resident Funds	240,760	-	-	240,760	-
Deferred Revenues	128,629	-	-	128,629	-
Accrued Healthcare Costs	689,705	1,475,000	-	2,164,705	896,370
Bonds Payable	540,000	-	-	540,000	-
Total current liabilities	<u>3,800,707</u>	<u>2,105,420</u>	<u>194,025</u>	<u>6,100,152</u>	<u>1,862,679</u>
Long-term liabilities:					
Bonds Payable	4,965,416	-	-	4,965,416	-
TOTAL LIABILITIES	<u>8,766,123</u>	<u>2,105,420</u>	<u>194,025</u>	<u>11,065,568</u>	<u>1,862,679</u>
NET ASSETS					
Invested in Capital Assets, net of related debt	8,154,127	68,832	341,376	8,564,335	-
Restricted	-	-	-	-	-
Reserve for Restricted Fund	-	1,500,000	-	1,500,000	-
Reserve for Risk and Contingency	-	3,000,000	-	3,000,000	-
Reserve for Reinvestment	-	2,646,922	-	2,646,922	-
Unrestricted	<u>3,821,532</u>	<u>-</u>	<u>172,820</u>	<u>3,994,352</u>	<u>(1,258,006)</u>
TOTAL NET ASSETS	<u>\$11,975,659</u>	<u>\$ 7,215,754</u>	<u>\$ 514,196</u>	<u>\$ 19,705,609</u>	<u>\$ (1,258,006)</u>

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS**

For the Year Ended December 31, 2004

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund Risk Management Fund
	Friendship Ridge	Health Choices	Other - Non Major Fund Emergency Services 911	Totals	
OPERATING REVENUES					
Charges for Services	\$45,586,326	\$ 16,769,458	\$ 1,435,183	\$ 63,790,967	\$ 8,934,629
OPERATING EXPENSES					
Costs of Services	43,528,665	14,562,561	331,950	58,423,176	8,356,246
Administrative	2,212,661	2,254,257	1,018,980	5,485,898	937,740
Depreciation and Amortization	1,434,978	18,996	122,977	1,576,951	-
Total Operating Expenses	47,176,304	16,835,814	1,473,907	65,486,025	9,293,986
OPERATING (LOSS)	(1,589,978)	(66,356)	(38,724)	(1,695,058)	(359,357)
NON-OPERATING REVENUE/(EXPENSES)					
Debt Service Interest	(238,622)	-	-	(238,622)	-
Unrestricted Gifts	10,381	-	-	10,381	-
Investment Income	21,733	85,668	3,489	110,890	1,621
Total Non-Operating Revenue (Expense)	(206,508)	85,668	3,489	(117,351)	1,621
Income (Loss) Before Transfers	(1,796,486)	19,312	(35,235)	(1,812,409)	(357,736)
Transfers Out	(700,000)	-	-	(700,000)	-
Transfers In	317,007	-	-	317,007	-
Change in net assets	(2,179,479)	19,312	(35,235)	(2,195,402)	(357,736)
Total net assets - beginning	14,155,138	7,196,442	549,431	21,901,011	(900,270)
TOTAL NET ASSETS - ENDING	\$11,975,659	\$ 7,215,754	\$ 514,196	\$ 19,705,609	\$ (1,258,006)

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2004

	Business-type Activities - Enterprise Funds		
	Friendship Ridge	Health Choices	Other - Non Major Fund Emergency Services
Cash Flows from Operating Activities:			
Receipts from customers	\$ 45,238,287	\$ 15,871,609	\$ 1,437,724
Other operating cash receipts	205,902	-	-
Cash payments to suppliers	(23,635,553)	(16,298,937)	(1,330,224)
Cash payments to employees	(22,742,759)	-	-
Internal activity-payments to other funds	-	-	(183,902)
Internal activity-receipts from other funds	-	-	-
Net Cash Provided by (Used in) Operating Activities	(934,123)	(427,328)	(76,402)
Cash Flows from Capital and Related Financing Activities:			
Principal payments of long-term debt	(530,000)	-	-
Interest payments on long term debt	(221,033)	-	-
Expenditures for property, facilities and equipment	(371,644)	2,886	(59,885)
Net Cash Provided by (Used in) Financing Activities	(1,122,677)	2,886	(59,885)
Cash Flows from Noncapital Financing Activities			
Transfers Out	(700,000)	-	-
Cash Flows from Investing Activities:			
Investment income	29,510	85,668	3,489
Increase in investments	-	-	-
Decrease in investments	2,436,691	-	-
Reduction to restricted cash	-	1,400,301	-
Net Cash Provided by (Used in) Investing Activities	2,466,201	1,485,969	3,489
Net increase (decrease) in cash and cash equivalents	(290,599)	1,061,527	(132,798)
Cash and cash equivalents at beginning of year	1,595,262	4,638,329	369,079
Cash and cash equivalents at end of year	\$ 1,304,663	\$ 5,699,856	\$ 236,281
Noncash capital financing activities:			
Change in fair value of investments	\$ -	\$ -	\$ -

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	Internal Service Fund
<u>Totals</u>	<u>Risk Management Fund</u>
\$ 62,547,620	\$ -
205,902	-
(41,264,714)	(9,163,667)
(22,742,759)	(2,471)
(183,902)	-
-	<u>9,503,399</u>
(1,437,853)	337,261
(530,000)	-
(221,033)	-
(428,643)	-
(1,179,676)	-
(700,000)	-
118,667	1,621
-	(3,454)
2,436,691	-
<u>1,400,301</u>	-
3,955,659	(1,833)
638,130	335,430
<u>6,602,670</u>	<u>29,372</u>
\$ 7,240,800	\$ 364,802
\$ -	\$ -

EXHIBIT A (PAGE 2 OF 4)

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

(Continued)

For the Year Ended December 31, 2004

	Business-type Activities - Enterprise Funds		
	Friendship Ridge	Health Choices	Other - Non Major Fund Emergency Services
Reconciliation of Operating Loss to			
Net Cash Provided (Used) by Operating Activities:			
Operating loss	\$ (1,589,978)	\$ (66,356)	\$ (38,724)
Non-cash adjustments to reconcile operating income			
(loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	1,434,978	18,996	122,977
Transfer in from General Fund	317,007	-	-
Change in operating assets and liabilities:			
Accounts receivable and due from other funds	(142,137)	(531,684)	2,541
Inventories	(59,528)	-	-
Prepaid expenses	482	(366,165)	-
Other assets - deposits	-	-	-
Accounts payable and due to other funds	(578,761)	49,903	(163,196)
Deferred credits	91,989	-	-
Accrued liabilities	(405,287)	467,978	-
Deferred income	(2,888)	-	-
Net Cash Provided by (Used in) Operating Activities	\$ (934,123)	\$ (427,328)	\$ (76,402)

Disclosure of Accounting Policy:

For the purposes of the Statement of Cash Flows, the County considers all highly liquid investments with a maturity of three months or less when acquired, including restricted cash, to be cash equivalents. Friendship Ridge's restricted cash and investments are not considered cash or cash equivalents.

	Internal Service Fund
	Risk Management Fund
<u>Totals</u>	
\$ (1,695,058)	\$ (359,357)
1,576,951	-
317,007	-
(671,280)	21,772
(59,528)	-
(365,683)	(10,644)
-	-
(692,054)	571,372
91,989	-
62,691	114,120
(2,888)	-
<u>\$ (1,437,853)</u>	<u>\$ 337,263</u>

EXHIBIT A (PAGE 4 OF 4)

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2004**

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 5,672,302	\$ 3,381,948
Investments		
Common and Preferred Stocks	92,292,215	-
U.S. Government Obligations	20,583,478	265,577
Corporate Bonds	37,520,367	-
Due from other funds	-	5,171
Receivables	-	59,232
Interest and Dividends	409,670	-
TOTAL ASSETS	\$ 156,478,032	\$ 3,711,928
LIABILITIES		
LIABILITIES		
Accounts Payable	\$ -	\$ 3,706,757
Pending Purchases	655,455	-
Due to other funds	-	5,171
TOTAL LIABILITIES	655,455	3,711,928
NET ASSETS		
Held in trust for pension benefits and other purposes	155,822,577	-
TOTAL NET ASSETS	\$ 155,822,577	\$ -

The accompanying notes are an integral part of this financial statement.

County of Beaver, Pennsylvania

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

For the Year Ended December 31, 2004

	Pension Trust Fund
ADDITIONS:	
Contributions:	
Member Contributions	\$ 4,322,190
County Contributions	<u>3,652,159</u>
Total Contributions	<u>7,974,349</u>
Net Investment Income	
Net Appreciation in Fair Value of Investments	5,326,523
Interest and Dividends	<u>4,210,772</u>
	9,537,295
Less: Investment management fees	<u>441,754</u>
Total Investment Income - net	<u>9,095,541</u>
Total	<u>17,069,890</u>
DEDUCTIONS:	
Benefits Paid	6,072,452
Administrative Expense	<u>49,004</u>
Total Deductions	<u>6,121,456</u>
Change in Net Assets	10,948,434
Net Assets - Beginning	<u>144,874,143</u>
Net Assets - Ending	<u>\$ 155,822,577</u>

The accompanying notes are an integral part of this financial statement.

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County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2004 and June 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Beaver, Pennsylvania (the County), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The significant accounting policies are described below.

1. **Organization and Reporting Entity**

The organization of the County and the basis of the reporting entity are presented below to assist the reader in evaluating the financial statements and the accompanying notes.

The County was founded as a subdivision of the Commonwealth of Pennsylvania under Title XVI of the Pennsylvania Statutes. The County operates under the commissioner-administrator form of government and provides the following services as authorized by Pennsylvania's County Code: public safety, judicial, medical, human services, and culture and recreation.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", the County has evaluated all related entities (authorities, commissions and affiliates) for possible inclusion in the financial reporting entity.

Discretely Presented Component Units

The component unit columns in the government-wide financial statements include individual financial data for the Beaver County Transit Authority (BCTA) and the Community College of Beaver County (CCBC). Financial information of component units is reported in separate columns to emphasize that they are legally separated from the County. They were determined to be component units because their boards are appointed by the County Commissioners and they receive significant operating subsidies from the County. CCBC has been receiving these subsidies and having the County appoint its board of directors since July 2002. Complete and more detailed financial statements can be obtained from:

Beaver County Transit Authority
200 W. Washington Street
Rochester, PA 15074

Community College of Beaver County
Controller's Office
One Campus Drive
Monaca, PA 15061

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1. **Organization and Reporting Entity** - Continued

Discretely Presented Component Units - Continued

The reporting period for BCTA and CCBC is as of and for the year ending June 30, 2004.

Summary of Significant Accounting Policies for BCTA

General Policy - The Authority prepares its financial statements on the basis of accounting practices prescribed or permitted by the Commonwealth of Pennsylvania and departments under its jurisdiction.

Basis of Accounting - The Authority accounts for expenses using the accrual method of accounting. Grant revenue is recognized when the corresponding grant purpose expenditure is made. Grant revenues received or receivable before the revenue recognition criteria have been met are reported as deferred revenue. State free transit senior citizen general funds and passenger revenues are recorded when received. All other revenues are recognized when earned.

Assets are depreciated using the straight-line method over their estimated useful lives.

Restatement of Net Assets - Beginning net assets have been increased by \$2,068,353 to \$22,391,539 to reflect a change resulting from a clerical error as of December 31, 2003.

Summary of Significant Accounting Policies for CCBC

General Policy - Community College of Beaver County prepares its financial statements in accordance with generally accepted accounting principles for public colleges and universities as outlined by the GASB. In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds", CCBC applies all GASB and Financial Accounting Standards Board (FASB) pronouncements, Accounting Principle Board opinions, and Accounting Research Bulletins issued on or before November 30, 1989 which do not conflict with or contradict GASB pronouncements. Inter-fund activity has been eliminated in the preparation of the financial statements.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

1. **Organization and Reporting Entity** – Continued

Summary of Significant Accounting Policies for CCBC - Continued

Basis of Accounting

Assets are depreciated using the straight-line method over their estimated useful lives.

Related Organizations

The Board of Commissioners is also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. These organizations include the:

- Beaver County Housing Authority
- Beaver County Hospital Authority
- Beaver County Conservation District
- Beaver County Redevelopment Authority
- Beaver County Industrial Development Authority
- Pennsylvania Finance Authority
- Workforce Investment Board
- Beaver County Economic Development Authority
- Beaver County Agricultural Land Preservation Board

2. **Government-Wide Financial Statements and Fund Financial Statements**

Government-wide Statements: The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses. Fiduciary funds are also excluded from the government-wide financial statements.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. **Government-Wide Financial Statements and Fund Financial Statements** - Continued

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the County and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the County. Certain indirect costs are included in the program expense reported for individual functions and activities.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net assets restricted for other purposes result from special revenue funds and the restrictions on their net asset use.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

2. Government-Wide Financial Statements and Fund Financial Statements - Continued

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Mental Health / Mental Retardation. This fund is responsible for serving the needs of the County's mentally or behaviorally challenged citizens.

Children and Youth Services. The purpose of this fund is to protect and care for children who have been abused, neglected, exploited, abandoned, adjudicated delinquent, or are without proper parental supervision, such as runaways.

Community Development. This fund accounts for the activities of the Community Development Program of Beaver County (CDP). The CDP's mission is two-fold: to improve the living conditions of low-income individuals and to aid in the elimination of slum and blight.

The County reports the following major enterprise funds:

Friendship Ridge. This is the enterprise fund for the County-owned facility that accommodates individuals in need of personal care.

Health Choices. Health Choices is a program sponsored by the Commonwealth of Pennsylvania and administered by the County to meet the needs of low income individuals with behavioral health problems.

All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2004 and June 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

3. Fund Types

In accordance with generally accepted accounting principles applicable to governmental units, the accounts of the County are organized and operated on the basis of individual funds. The operations of each fund are accounted for by providing a separate set of self-balancing accounts comprised by its assets, liabilities, fund equity, revenues, and expenditures or expenses. A description of the purpose and function of each type of fund presented in the accompanying financial statements follows.

GOVERNMENTAL FUND TYPES

The General Fund is used to account for all financial transactions not accounted for in the fund types listed below. This includes items such as the receipt and expenditure of the general tax levy and fees of general offices.

Special Revenue Funds are used to account for the proceeds from specific revenue sources or to finance special activities in accordance with statutory or administrative requirements. This includes designated revenues not included within other fund categories.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital assets (other than those financed by proprietary fund types).

PROPRIETARY FUND TYPES

An Enterprise Fund is used to account for operations that are financed and operated in a manner similar to that found in the private sector, where the intent of the County is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Friendship Ridge (formerly known as "Beaver Valley Geriatric Center"), Emergency Services 911, and Beaver County HealthChoices Behavioral Health Program (HealthChoices) are recorded as enterprise funds.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

3. Fund Types - Continued

An Internal Service Fund accounts for operations that provide services to other departments or agencies of the County on a cost reimbursement basis. The Risk Management Fund accounts for the employees' self-insured medical health benefits and worker's compensation claims of the County.

FIDUCIARY FUND TYPES

Fiduciary Funds are used by the County to account for assets held on behalf of outside parties or on behalf of other funds. These funds currently include the pension trust fund and agency funds.

The Pension Trust Fund is accounted for in essentially the same manner as a proprietary fund and it accounts for the activities of the Beaver County Employees' Pension Plan.

Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency funds are used to account for cash collected by elected row officers, for Domestic Relations support payments and delinquent real estate tax payments (Tax Claims).

4. Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues, expenditures, expenses and transfers, and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The primary effect of internal activity has been eliminated from the government-wide financial statements.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

4. Basis of Accounting and Measurement Focus - Continued

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available to finance expenditures of the fiscal period. Available means expected to be collected within sixty days of year-end. Expenditures and transfers out are generally recognized under the accrual basis of accounting when the related liability is incurred except for compensated absences and financing costs / interest on general long-term debt, which is recorded when the payment is due.

The financial statements of agency and proprietary funds are presented on the accrual basis of accounting. Under this method of accounting, all revenues are recorded when earned and expenses are recorded when the liability is incurred. As permitted by GASB Statement No. 20, the County applies all GASB pronouncements as well as FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with or contradict GASB pronouncements, in accounting for its enterprise funds. An enterprise fund may apply all FASB Statements and Interpretations issued after November 30, 1989 (except those that conflict with or contradict GASB pronouncements) or it may apply none of them. The County chose to only apply GASB pronouncements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing revenues. The principal operating revenues of the County's proprietary funds and internal service fund are discussed in the next section. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2004 and June 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

4. **Basis of Accounting and Measurement Focus** - Continued

The Pension Trust Fund and agency funds' financial statements are also prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the pension plan. Administrative costs provided by outside vendors are recorded when incurred, whereas costs for services provided by the County are not recorded on the financial statements of the Pension Trust Fund.

The Pension Trust Fund and agency funds' investments are reported at fair value. Investments traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investment income is recognized as earned. Gains and losses on sales and exchanges are recognized on the transaction date.

5. **Revenues**

- a. Property taxes collected by the Treasurer within sixty days subsequent to December 31 are recorded as revenue on the statement of revenues, expenditures, and changes in fund balances in the previous year ended.
- b. Federal and state grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the County is entitled to the grants. However, these grants are subject to audit and adjustment by grantor agencies. Grant revenues received for expenses, which are disallowed, are repayable to the grantor.
- c. Revenue recognized by HealthChoices is based on the number of Medicaid members within the County at a contracted rate with the Department of Public Welfare.
- d. The receivable balances presented in the accompanying combined balance sheet are recorded at net realizable value.
- e. Patient fees of Friendship Ridge are recognized in the period in which the services are provided.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2004 and June 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

5. **Revenues** - Continued

- f. A significant portion of Friendship Ridge's services are provided to patients under hospitalization or other health related benefit contracts with third parties. Such contracts generally provide Friendship Ridge with reimbursement at amounts other than Friendship Ridge's normal billing rates. Differences between amounts reimbursed and standard billing rates are adjusted through the provision for contractual allowances. Friendship Ridge may also receive incentive payments from state and federal programs. These payments are credited to the provision for contractual allowances when received.

6. **Deferred Revenues**

Under the modified accrual basis of accounting, revenue is not recognized until it is available to liquidate liabilities of the current period; under accrual accounting, revenue must be recognized as soon as it is earned. Assets received on or prior to the financial statement date for which the revenue recognition requirements have not been met are posted as deferred revenue on both the statement of net assets and the governmental funds' balance sheet. Certain deferred revenues for the County are considered unearned and not subject to revenue recognition under either the full or modified accrual basis. Other deferred revenue in the governmental funds' balance sheet is due to revenues not recognized because it is not available to liquidate liabilities of the current period.

7. **Expenditures**

Capital asset purchases, relating to non-proprietary fund type assets, are included in current year expenditures in governmental funds and are capitalized in the government-wide statement of net assets. Interest on non-proprietary fund debt is expensed on the Statement of Revenues, Expenditures, and Changes in Fund Balances when paid.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2004 and June 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

8. Cash, Cash Equivalents, Restricted Cash, and Investments

The County maintains numerous checking accounts for depositing receipts and disbursing expenditures for all governmental fund types. In addition, the County maintains several accounts in the Pennsylvania Local Government Investment Trust (PLGIT) and Pennsylvania Treasurer's Invest Program for Local Governments (Invest Program), which earn interest. Funds are transferred to PLGIT and Invest Program to utilize the surplus of cash, which would otherwise remain idle in the County's checking accounts. The balances maintained in these pooled investment accounts represent the individual interest of each representative fund in the pooled accounts and are recorded at cost, which approximates fair value.

Friendship Ridge's investments consist of funds voluntarily set aside to fund future plant replacement, expansion, and capital debt principal repayments. Currently they are also used to fund the budget shortfalls of the fund and the County overall. These funds are invested in short-term debt instruments and are recorded at cost, which approximates fair value.

Investments of the Pension Trust Fund are stated at fair value as determined from prices available in public markets.

For purposes of the accompanying Statement of Cash Flows, the County considers all highly liquid investments with a maturity of three months or less when acquired, including restricted cash, to be cash equivalents. Friendship Ridge's restricted cash and investments are not considered cash or cash equivalents.

The County uses derivative transactions for hedging and speculative purposes. Derivatives are exposed to several risks, such as credit risk (the risk of default by the counterparty), market risk (such as the possible adverse effect of a change in interest rates), and legal risk (exposure to an adverse determination concerning the legality of the transactions).

9. Supplies

Supplies of Friendship Ridge consist of expendable materials and other supplies and are stated at cost determined by the first-in first-out method.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2004 and June 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

10. Prepaid Expenses

In both the government-wide and fund financial statements, prepaid expenses are recorded as assets in the specific governmental fund in which future benefits will be derived. The prepaid expenses in the fund financial statements are recognized under the consumptions method and consist primarily of prepaid rent.

11. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets that have been acquired for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized in the government-wide statement of net assets. All capital assets are recorded at cost, if known, or estimated historical cost. Donated capital assets are recorded at their fair market value on the date of donation. With the exception of enterprise funds, the County uses a threshold of \$2,000 for recording substantially all capital assets. Enterprise funds treat all items with an estimated useful life exceeding one year as capital assets. Depreciation on capital assets recorded in the government-wide statement of net assets is computed using the straight-line method over the estimated useful lives of the related assets.

Estimated useful lives for the County's classes of reported capital assets are as follows:

Vehicles	5 years
Buildings and Land Improvements	40 years
Furniture, Fixtures and Equipment	10 years
Infrastructure	50 years

Public domain (infrastructure), capital assets (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the government) and those that were placed in service prior to 2002 are not required to be capitalized until fiscal years beginning after June 15, 2005. Infrastructure assets placed in service on or after January 1, 2002 are capitalized in the government-wide statement of net assets.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

11. Capital Assets - Continued

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized in the government-wide statement of net assets or the proprietary funds. Major renewals or betterments are capitalized as additions.

Depreciation of Enterprise Fund property, plant and equipment is computed using the straight-line method over the estimated useful lives of the related assets.

12. Compensated Absences

The vacation policy for substantially all of the County's employees provides that vacation earned from the prior year's service, granted to employees on January 1 must be taken by December 31 of that same year. The accrual in the government-wide Statement of Net Assets, therefore, represents what was earned through December 31, 2004 granted on January 1, 2005.

Employees, excluding sheriff's deputies and jail guards, may accumulate up to 100 days of sick leave. Sheriff's deputies may accumulate up to a maximum of 150 days of sick leave, while jail guards do not earn sick leave. If sick leave is not used, it is paid to retirement-eligible employees upon retiring. Accumulated sick leave as of December 31, 2004 that is estimated to be paid to employees upon retirement has been recorded in the government-wide Statement of Net Assets under Noncurrent Liabilities because the amount estimated to be paid during 2005 was determined to be insignificant.

13. Accrued Healthcare Costs

HealthChoices establishes a liability for Received But Unpaid Claims (RBUC) and Claims Incurred But Not Received (IBNR). The RBUC is calculated by using a weighted average unit cost for claims received and entered into the claims' payment system that have yet to be paid. A total health care liability is also estimated for claims that have been incurred during 2004 that will be paid in the future. The IBNR is calculated as the difference between this total estimated liability less the RBUC liability. These amounts are estimated by the County's third party specialists.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2004 and June 30, 2004

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

13. **Accrued Healthcare Costs** - Continued

Accrued healthcare costs of the Risk Management Fund are calculated internally based on claims history.

14. **Budgets**

The County Board of Commissioners (Commissioners) annually adopts a formal budget for all of the Governmental Fund Types. The following procedures are followed in establishing the budgetary data reflected in the financial statements.

The Controller submits the proposed budget to the Commissioners no less than 30 days prior to the adoption of the budget for the year beginning the following January 1. The proposed budget is adopted no later than December 31. Notice of the availability of the proposed budget for public inspection is made at least 20 days prior to the adoption of the final budget.

The Commissioners may at any time, by resolution, make supplemental appropriations for any lawful purpose from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated, including proceeds of any borrowing now or hereafter authorized by law. Appropriations lapse at year-end if not recorded in the financial statements.

Appropriated budgets are adopted and presented on a modified accrual basis consistent with GAAP by fund, by department and by line-item. Line-items are specific revenues and expenditures, such as taxes, fees, salaries and supplies. This basis of accounting is the same as that used for the fund financial statements. Transfers of appropriations may be requested between line-items within a department or between departments within the same fund. All transfers of appropriations require the approval of the Commissioners. The legal level of control is exercised by fund, department, and at each line-item.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

14. **Budgets** - Continued

Formal budgetary review is employed as a management control during the year for the General Fund, Special Revenue Funds and the Capital Projects Funds. Budget amounts presented in the financial statements are as amended through December 31, 2004.

15. **Encumbrances**

The governmental fund types use encumbrance accounting, under which purchase orders and other commitments are recorded. Open encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities since the commitments will be honored, re-appropriated and added to each department's subsequent year's budget.

16. **Net Assets**

HealthChoices receives funds based on a contract between the County and the Commonwealth of Pennsylvania's Department of Public Welfare (Commonwealth). Per the contract, the County must maintain a restricted reserve for equity and a plan of insolvency. As of December 31, 2004 the County has met the equity requirement by maintaining \$1,500,000 in a separate bank account. Assets can be transferred from this account only with the permission of the Commonwealth.

The contract also allows the County to maintain a reserve for risk and contingency in an amount not to exceed 90 days of unpaid claims. The County has met this reserve by restricting \$3,000,000 of cash and investments. Draw down of these funds need approval of the Commonwealth.

The County may also, under its contract, reserve earnings for reinvestment in services that are for the primary benefit of medical assistance recipients. The amount of this Reserve for Reinvestment is approximately \$7.8 million as of December 31, 2004, of which approximately \$6.1 million has been approved by the Commonwealth. The County is currently devising and submitting reinvestment plans for the balance of the funds. The Commonwealth must approve the actual expenditure of these funds.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

16. **Net Assets** - Continued

All restrictions on net assets are imposed by laws or regulations of the Commonwealth.

The internal service fund accounts for the self-insured employees' medical health benefits of the County and during 2004 also accounted for workers' compensation expenses. The internal service fund reimbursement rate has been revised over the years in an attempt to eliminate the following deficits:

December 31, 2001	\$169,513
2002	20,487
2003	900,270
2004	1,258,006

During May 2005, the County charged an additional premium to all of its funds, thereby eliminating the deficit.

The fund balance deficit of the Mental Health/Mental Retardation fund was caused by certain revenues not becoming available to finance current expenditures. Revenues sufficient to cover the deficit are expected to be available before the end of 2005.

17. **Pending Governmental Accounting Standards Board Pronouncements**

The GASB has issued Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries". This statement establishes requirements for accounting and reporting the impairment of capital assets as well as for insurance recoveries in the governmental funds (prior guidance exists on accounting and reporting insurance recoveries on government-wide and proprietary fund financial statements). The statement is required to be adopted for periods beginning after December 15, 2004. The County has not determined the impact, if any, that GASB Statement No. 42 will have on the financial statements.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

17. **Pending Governmental Accounting Standards Board Pronouncements**
- Continued

GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions," was issued by the GASB in June 2004. It establishes standards for the measurement, recognition, and display of other post-employment benefits expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information in the financial reports of state and local governmental employers. This statement is required to be implemented for periods beginning after December 15, 2006, and the County has not determined the impact, if any, it will have on the financial statements.

18. **Use of Estimates**

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B - PROPERTY TAXES

Property tax millage rates are set by a resolution of the Commissioners prior to January 1 of the current year. Taxes are payable beginning in January of the current fiscal year through April of the following fiscal year as approved by the Commissioners. After that date the properties are liened and legal action is required to sell real property for tax proceeds.

The County is permitted by the County Code to levy real property taxes up to a maximum of twenty-five mills on every dollar of adjusted valuation.

Property tax revenues for the year ended December 31, 2004 are recorded on the statement of activities net of discounts of \$516,747 and inclusive of penalties amounting to \$131,733. Property taxes receivable are stated net of allowance for uncollectible accounts. The balance in the allowance for uncollectible taxes is \$2,204,173 at December 31, 2004.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2004 and June 30, 2004

NOTE C - CASH DEPOSITS AND INVESTMENTS

Statutes allow the County to invest in United States Treasury bills, short-term obligations of the United States Government or the Commonwealth of Pennsylvania, deposits in savings accounts or time deposits of institutions having a place of business in the Commonwealth of Pennsylvania and insured or collateralized in accordance with Act 72, and certificates of deposit limited to twenty per centum of capital and surplus if purchased from a commercial bank and limited to twenty per centum of assets minus liabilities if purchased from a savings and loan association, or other investments, collateralized by the aforementioned federal government securities.

The County's investments (including those classified as cash equivalents), except those of the Pension Trust Fund, are categorized below to give indication of the level of credit risk assumed at year-end. Category 1 includes investments that are insured or registered for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and "unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the County's name.

Cash, cash equivalents and investments of the County, with the exception of the Pension Trust Fund, consist of the following as of December 31, 2004:

	<u>Category</u>			<u>Carrying</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>
Categorized:				
U.S. Government				
Obligations	\$ -	\$ -	\$14,942,243	\$12,419,249
	<u>\$ -</u>	<u>\$ -</u>	<u>\$14,942,243</u>	12,419,249
Non-Categorized:				
Pooled Investment Funds				4,594,769
Cash and Deposits				<u>11,740,760</u>
				<u>\$28,754,778</u>

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2004 and June 30, 2004

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Pooled Investment Funds are managed by the PLGIT and the Invest Program. The fair value of the position in the PLGIT and the Invest Program is the same as the value of the pools' shares. An oversight committee headed by the Pennsylvania State Treasurer monitors the overall effectiveness of the Invest Program. PLGIT's Board of Trustees and its participants annually select an independent auditing firm to perform a financial audit of the Trust. The pools are composed of a diversified portfolio of short-term securities, such as obligations of the United States Government, repurchase agreements and certificates of deposit collateralized with U. S. Treasury or U. S. government agency obligations, U. S. Treasury securities, and obligations of U. S. government agencies. Since participation in these pools is not evidenced by securities, these investments are not classified according to level of credit risk.

The bank balance of cash deposits is classified in the following categories according to credit risk:

- (1) Insured or collateralized with securities held by the County or by its agent in the County's name;
- (2) Collateralized with securities held by the pledging financial institution's trust department or agent in the County's name;
- (3) Uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the County's name.

At year-end, the carrying amount of the County's cash (except for the Pension Trust Fund) was \$11,740,760 and the bank balance was \$10,543,987. Of this amount \$400,000 was covered by federal depository insurance (classified as category (1)). The remaining bank balance of \$10,143,987 was collateralized in accordance with Act 72 of the Commonwealth of Pennsylvania State Legislature, which states that a depository must pledge assets to secure the state and municipal deposits. The pledged assets must at least be equal to the total amount of such assets required to secure all of the public deposits at the depository and may be on a pooled basis. All such pledged assets are held by the pledging financial institution's trust department or agent and not in the County's name (classified as category (3)).

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Pension Trust Fund

The Pension Trust Fund's investments are categorized below to give indication of the level of credit risk assumed by the fund at year-end. Category 1 includes investments that are insured or registered for which the securities are held by the Pension Trust Fund or its agent in the Pension Trust Fund's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Pension Trust Fund's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the Pension Trust Fund's name.

As of December 31, 2004, the Pension Trust Fund's cash, cash equivalents and investments consist of:

	<u>Category</u>			<u>Carrying</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>
Common and Preferred Stocks	\$ -	\$ -	\$ 92,292,215	\$ 92,292,215
Bonds and Notes:				
U.S. Government and Related Agencies	-	-	20,583,478	20,583,478
Corporate Bonds	-	-	37,520,367	37,520,367
Cash Equivalents:				
Money Market Funds	-	-	5,672,302	5,672,302
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156,068,362</u>	<u>156,068,362</u>
Cash				<u>-</u>
				<u>\$156,068,362</u>

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Component Unit - BCTA

At June 30, 2004, the BCTA had the following values relating to its cash and bank deposits:

	<u>Bank Balance</u>	<u>Book Balance</u>
Cash	\$ 146,498	\$ 146,498

BCTA's cash and cash equivalents (including those classified as investments according to GASB Statement No.3) consist of:

Cash - Category 1	\$ 146,498
Non-Categorized:	
Treasury Obligation Funds	405,867
	<u>\$ 552,365</u>

Category 1 includes deposits that are insured or collateralized with securities held by BCTA or its agent in BCTA's name. Category 2 deposits are collateralized with securities held by the pledging financial institution's trust department or agent in BCTA's name. Category 3 encompasses deposits that are collateralized with securities held by the pledging financial institution or by its trust department or agent but not in BCTA's name.

Investments are categorized according to level of credit risk. Category 1 includes investments that are insured or registered for which the securities are held by BCTA or its agent in the BCTA's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in BCTA's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in BCTA's name. Treasury Obligation Funds consist of U.S. Treasury or U.S. government agency obligations. Since these investments have the characteristics of mutual funds, they are not classified according to level of credit risk.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE C - CASH DEPOSITS AND INVESTMENTS - (Continued)

Component Unit - CCBC

At June 30, 2004, the CCBC had the following values relating to its cash and bank deposits:

	<u>Bank Balance</u>	<u>Book Balance</u>
Cash	\$2,852,301	\$2,740,205

The difference between the bank balance and carrying value shown above represents year-end reconciling items such as deposits in transit and outstanding checks. In accordance with Act number 72-1971 Session of the Commonwealth of Pennsylvania, the above deposits of each of the College's depositories are collateralized by a pool of pledged assets that are maintained with the Federal Reserve System. In addition, the first \$100,000 held at each depository is insured through the Federal Deposit Insurance Corporation (FDIC).

In accordance with GASB Statement No. 3, the above cash deposits total is divided into the following deposit credit risk categories.

Category 1	\$ 103,066
Category 3	<u>2,749,235</u>
	<u>\$2,852,301</u>

Category 1 includes insured deposits or deposits collateralized with securities held by CCBC or by its agent in CCBC's name. Category 3 includes uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in CCBC's name.

The Community College of Beaver County Foundation's investments at June 30, 2004 are composed of the following:

	<u>Fair Value</u>
Corporate Bonds	\$131,848
Preferred Securities	18,392
Mutual Funds	34,522
Money Market Funds	<u>31,082</u>
	<u>\$215,844</u>

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004

NOTE D - RECEIVABLES AND PAYABLES

Receivables at December 31, 2004 were as follows:

	Accounts Receivable	Taxes	Due from Other Governments	Other	Total Receivables
Governmental activities					
General	\$ -	\$3,897,121	\$ 578,026	\$ 641,150	\$ 5,116,297
MH/MR	-	-	517,255	364,964	882,219
Children & Youth	-	-	3,579,110	9,889	3,588,999
Community Development	-	-	303,268	-	303,268
Other governmental	-	-	759,199	84,169	843,368
Internal service	-	-	-	180,086	180,086
Allowance for doubtful accounts	-	3,897,121	5,736,858	1,280,258	10,914,237
Total - governmental activities	-	(1,558,848)	-	-	(1,558,848)
		2,338,273	5,736,858	1,280,258	9,355,389
Business-type activities					
Friendship Ridge	\$6,524,985	\$ -	\$ -	\$ -	\$ 6,524,985
Health Choices	538,785	-	-	-	538,785
Other proprietary	130,564	-	-	-	130,564
Total - business-type activities	7,194,334	-	-	-	7,194,334
Primary Government Total	<u>7,194,334</u>	<u>2,338,273</u>	<u>5,736,858</u>	<u>1,280,258</u>	<u>16,549,723</u>
Component Units					
BCTA	\$ -	\$ -	\$2,515,144	\$ 8,052	\$ 2,523,196
CCBC	\$ -	\$ -	\$1,644,507	\$ 286,351	\$ 1,930,858

Payables at December 31, 2004, consisted of amounts due to vendors for goods and services provided to the County.

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County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004

NOTE E - INTERFUND BALANCES AND TRANSFER

Interfund Balances

The County reports interfund balances among all of its funds. The balances for nonmajor governmental and business-type activities are aggregated into a single column or row. The total of all balances agrees with the sum of interfund balances presented in the statements of net assets / balance sheet for governmental funds and for proprietary funds. All interfund balances are expected to be repaid within one year.

	General Fund	Children & Youth	Due from				Health Choices	Other Nonmajor Business-Type	Total
			MH/MR	Community Development	Nonmajor Governmental				
General Fund	\$ -	\$ 1,200,298	\$103,096	\$ 31,615	\$ 1,042,210		\$ 15,987	\$ 173,065	\$ 2,566,271
Children & Youth	329,177	-	-	-	-		-	-	329,177
Other Nonmajor Governmental	48,599	1,362	374	62	11,433		119	-	61,949
MH/MR	463,710	-	-	-	-		-	-	463,710
Health Choices	-	-	874	-	-		-	-	874
Total	\$ 841,486	\$1,201,660	\$104,344	\$ 31,677	\$ 1,053,643		\$ 16,106	\$ 173,065	\$ 3,421,981

Children & Youth's balance due to the General Fund includes a quarterly administrative reimbursement of \$1,016,274, while the remaining \$184,024 is due to a time lag of payment dates between funds.

Included in the Other Nonmajor Governmental Funds column is a loan of \$793,000 to the Internal Service Fund and \$35,200 to the Victim Witness Fund. Also included under the Nonmajor Governmental Funds column is a loan from the Internal Service Fund to all governmental funds and Health Choices for \$45,023.

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County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE E - INTERFUND BALANCES AND TRANSFERS - (Continued)

Other Nonmajor Business-Type Funds transfers consist of \$173,065 due from the Emergency Services Fund for their fourth quarter salary expense reimbursement.

The amount due from the General Fund to MH/MR Fund represents the remaining County match for 2004.

All remaining balances resulted from the time lag of payment dates between funds.

Interfund Transfers

Interfund transfers for the year ended December 31, 2004, consisted of the following:

	<u>General Fund</u>	<u>Transfer from</u>		<u>Total</u>
		<u>Other Nonmajor Governmental</u>	<u>Friendship Ridge</u>	
General Fund	\$ -	\$ 4,329	\$ 700,000	\$ 704,329
Friendship Ridge	317,007	-	-	317,007
Other Nonmajor Governmental	-	326,800	-	326,800
Total	<u>\$317,007</u>	<u>\$ 331,129</u>	<u>\$ 700,000</u>	<u>\$1,348,136</u>

The \$317,007 transfer from the County's General Fund to Friendship Ridge consists of all indirect costs allocated to Friendship Ridge.

The General Fund received a transfer from Friendship Ridge totaling \$700,000 for operational purposes.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT

During 1996, the County contracted with an appraisal company to provide a detailed fixed asset listing that included acquisition cost and acquisition year. The dates of acquisition and acquisition costs were either furnished by the County or estimated using reverse-trending techniques applied against the estimate of current replacement cost. The actual or estimated historical cost determined by the appraisal and transactions that occurred subsequent to the appraisal are reported in the government-wide statement of net assets.

Depreciation and amortization was charged to functions as follows:

Governmental activities:	
General Government	\$ 1,100,913
Judicial	227,584
Public Safety	729,725
Public Works and Enterprise	663,331
Culture, Recreation, and Conservation	228,264
Human Services	<u>1,122,500</u>
Total	<u>\$ 4,072,317</u>

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

**NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT -
(Continued)**

† The following is a summary of changes in capital assets for governmental activities during 2004:

	Balance at January 1, <u>2004</u>	<u>Additions</u>	<u>Disposals</u>	Balance at December 31, 2004
Not being depreciated:				
Land	\$ 1,874,354	\$ -	\$ -	\$ 1,874,354
Other capital assets:				
Buildings and Improvements	82,471,611	281,425	-	82,753,036
Vehicles	2,417,629	81,839	(21,069)	2,478,399
Furniture and Equipment	12,646,006	793,589	(81,559)	13,358,036
Infrastructure	<u>1,527,086</u>	<u>167,902</u>	<u>-</u>	<u>1,694,988</u>
	<u>99,062,332</u>	<u>1,324,755</u>	<u>(102,628)</u>	<u>100,284,459</u>
Accumulated Depreciation:				
Buildings and Improvements	(14,150,564)	(2,631,888)	-	(16,782,452)
Vehicles	(2,002,863)	(138,827)	21,069	(2,120,621)
Furniture and Equipment	(8,665,285)	(1,269,381)	74,892	(9,859,774)
Infrastructure	<u>(40,906)</u>	<u>(32,221)</u>	<u>-</u>	<u>(73,127)</u>
	<u>(24,859,618)</u>	<u>(4,072,317)</u>	<u>95,961</u>	<u>(28,835,974)</u>
Net other capital assets	<u>74,202,714</u>	<u>(2,747,562)</u>	<u>(6,667)</u>	<u>71,448,485</u>
Net capital assets	<u>\$76,077,068</u>	<u>\$ (2,747,562)</u>	<u>\$ (6,667)</u>	<u>\$73,322,839</u>

The above assets as of December 31, 2004, include \$8,699,804 relating to capitalized leases and \$1,246,023 relating to accumulated amortization.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - (Continued)

Depreciation and amortization was charged to functions as follows:

Business-type activities:	
Friendship Ridge	\$ 1,423,457
Health Choices	18,996
Emergency Services 911	<u>122,977</u>
Totals	<u>\$ 1,565,430</u>

The following is a summary of changes in capital assets for business-type activities during 2004:

	Balance at January 1, <u>2004</u>	<u>Additions</u>	<u>Disposals</u>	Balance at December 31, <u>2004</u>
Not being depreciated:				
Land	\$ 42,075	\$ -	\$ -	\$ 42,075
Construction in Progress	<u>-</u>	<u>174,357</u>	<u>-</u>	<u>174,357</u>
	<u>42,075</u>	<u>174,357</u>	<u>-</u>	<u>216,432</u>
Other capital assets:				
Buildings and Improvements	10,626,894	42,000	-	10,668,894
Furniture and Equipment	<u>27,170,679</u>	<u>214,658</u>	<u>(2,374)</u>	<u>27,382,963</u>
	<u>37,797,573</u>	<u>256,658</u>	<u>(2,374)</u>	<u>38,051,857</u>
Accumulated Depreciation:				
Buildings and Improvements	(5,902,814)	(337,119)		(6,239,933)
Furniture and Equipment	<u>(18,439,329)</u>	<u>(1,228,311)</u>	<u>40</u>	<u>(19,667,600)</u>
	<u>(24,342,143)</u>	<u>(1,565,430)</u>	<u>40</u>	<u>(25,907,533)</u>
Net other capital assets	<u>13,455,430</u>	<u>(1,308,772)</u>	<u>(2,334)</u>	<u>12,144,324</u>
Net capital assets	<u>\$13,497,505</u>	<u>\$(1,134,415)</u>	<u>\$ (2,334)</u>	<u>\$12,360,756</u>

Included in the figures presented above is a capital lease recorded at \$497,340 and related accumulated amortization of \$190,647. Amortization for the year amounted to \$49,734 and it is classified as depreciation on the Statement of Activities.

Construction in progress consists of future building improvements at Friendship Ridge included under other assets in the government-wide Statement of Net Assets and the Statement of Net Assets, Proprietary Funds.

Included under the caption depreciation and amortization in the Statement of Net Assets, Proprietary Funds, is amortization by Friendship Ridge of capitalized bond financing costs.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - (Continued)

Component Unit- BCTA

The following is a summary of BCTA's property accounts as of June 30, 2004:

		<u>Estimated Useful Lives</u>
Land	\$ 3,286,121	N/A
Buildings and Improvements	14,147,514	30
Tangible Transit Operating Property	9,158,529	5 - 12
Furniture and Equipment	<u>1,006,189</u>	4 - 5
	27,598,353	
Less Accumulated Depreciation	<u>(7,725,271)</u>	
	<u>\$ 19,873,082</u>	

Depreciation expense for the year ended June 30, 2004, amounted to \$1,682,997.

Component Unit - CCBC

The following is a summary of CCBC's property accounts as of June 30, 2004:

		<u>Estimated Useful Lives</u>
Land	\$ 952,288	N/A
Buildings and Improvements	17,193,510	25-50
Furniture and Equipment	<u>4,641,667</u>	5-20
	22,787,465	
Less Accumulated Depreciation	<u>(14,328,511)</u>	
	<u>\$ 8,458,954</u>	

Depreciation expense for the year ended June 30, 2004, amounted to \$587,965.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE G - EMPLOYEE RETIREMENT PLAN

1. Plan Description

The County sponsors the Beaver County Employees' Pension Plan (the Plan), a single-employer, defined benefit pension plan covering substantially all of its employees. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Administration of the Plan is provided by the Beaver County Employees' Retirement Board (Retirement Board), consisting of the Board of County Commissioners, the County Controller, and the County Treasurer. Cost-of-living adjustments are provided at the discretion of the Retirement Board.

The Plan is established, administered, and funded under the authority of the "County Pension Law", Act 96 of 1971, as amended, enacted by the General Assembly of the Commonwealth of Pennsylvania. There is no stand-alone financial report of the Plan and the Retirement Board does not issue a public report including the Plan.

As of January 1, 2005, the date of the last available actuarial report, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits	574
Terminated employees not yet receiving benefits	<u>106</u>
	<u>680</u>
Active plan participants:	
Vested	1,093
Nonvested	<u>406</u>
	<u>1,499</u>

The Plan provides pension benefits for normal retirement at age 60 or at age 55 with 20 or more years of completed service based on a formula including final average salary and years of credited service, in addition to the member's accumulated contribution to the Plan. Early retirement is available at an earlier age as specified by the Plan. Members become vested after 5 years of service.

2. Funding Policy, Annual Pension Cost, Net Pension Obligation and Contributions

The Plan requires participants to contribute a minimum of 9%, but not more than 19%, of their salary depending on the participant's employment class and wage, and on current actuarial determinations. All full-time employees and part-time employees expected to complete 1,000 hours of service in a twelve-month period when employed are required to participate in the system.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE F - LAND, BUILDINGS, IMPROVEMENTS AND EQUIPMENT - (Continued)

Component Unit- BCTA

The following is a summary of BCTA's property accounts as of June 30, 2004:

		<u>Estimated Useful Lives</u>
Land	\$ 3,286,121	N/A
Buildings and Improvements	14,147,514	30
Tangible Transit Operating Property	9,158,529	5 - 12
Furniture and Equipment	1,006,189	4 - 5
	27,598,353	
Less Accumulated Depreciation	(7,725,271)	
	<u>\$ 19,873,082</u>	

Depreciation expense for the year ended June 30, 2004, amounted to \$1,682,997.

Component Unit - CCBC

The following is a summary of CCBC's property accounts as of June 30, 2004:

		<u>Estimated Useful Lives</u>
Land	\$ 952,288	N/A
Buildings and Improvements	17,193,510	25-50
Furniture and Equipment	4,641,667	5-20
	22,787,465	
Less Accumulated Depreciation	(14,328,511)	
	<u>\$ 8,458,954</u>	

Depreciation expense for the year ended June 30, 2004, amounted to \$587,965.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE G - EMPLOYEE RETIREMENT PLAN

1. Plan Description

The County sponsors the Beaver County Employees' Pension Plan (the Plan), a single-employer, defined benefit pension plan covering substantially all of its employees. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. Administration of the Plan is provided by the Beaver County Employees' Retirement Board (Retirement Board), consisting of the Board of County Commissioners, the County Controller, and the County Treasurer. Cost-of-living adjustments are provided at the discretion of the Retirement Board.

The Plan is established, administered, and funded under the authority of the "County Pension Law", Act 96 of 1971, as amended, enacted by the General Assembly of the Commonwealth of Pennsylvania. There is no stand-alone financial report of the Plan and the Retirement Board does not issue a public report including the Plan.

As of January 1, 2005, the date of the last available actuarial report, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries currently receiving benefits	574
Terminated employees not yet receiving benefits	<u>106</u>
	<u>680</u>
Active plan participants:	
Vested	1,093
Nonvested	<u>406</u>
	<u>1,499</u>

The Plan provides pension benefits for normal retirement at age 60 or at age 55 with 20 or more years of completed service based on a formula including final average salary and years of credited service, in addition to the member's accumulated contribution to the Plan. Early retirement is available at an earlier age as specified by the Plan. Members become vested after 5 years of service.

2. Funding Policy, Annual Pension Cost, Net Pension Obligation and Contributions

The Plan requires participants to contribute a minimum of 9%, but not more than 19%, of their salary depending on the participant's employment class and wage, and on current actuarial determinations. All full-time employees and part-time employees expected to complete 1,000 hours of service in a twelve-month period when employed are required to participate in the system.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2004 and June 30, 2004

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

2. Funding Policy, Annual Pension Cost, Net Pension Obligation and Contributions - Continued

The Beaver County Employees' Retirement System funding policy provides for periodic employer contributions at actuarially determined rates that are necessary to accumulate sufficient assets to pay benefits when due. The annual pension cost for 2004 was determined as part of an actuarial valuation as of January 1, 2004 using the aggregate actuarial cost method. This actuarial method does not identify or separately amortize unfunded actuarial liabilities.

The annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$3,652,159
Interest on net pension obligation	-
Adjustment to the annual required contribution	-
Annual pension cost	<u>3,652,159</u>
Contributions made	<u>3,652,159</u>
Increase (decrease) in net pension obligation	-
Net pension obligation, beginning of year	<u>-</u>
Net pension obligation, end of year	<u><u>\$ -</u></u>

Three-year Trend Information:

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
December 31, 2004	\$3,652,159	100	\$ -
December 31, 2003	\$3,325,708	100	\$ -
December 31, 2002	\$1,468,601	100	\$ -

The information presented above was determined as part of the actuarial valuations for the years indicated. The additional information is for all years presented unless otherwise indicated.

Actuarial cost method	Aggregate actuarial
Asset valuation method	Five-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increase	3.0% for 2002; 3.25% in 2003; 3.50% in 2004
Inflation adjustment	3.0%
Cost-of-living adjustment	100.0% of CPI effective as of January 1, 2000

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

3. Reserves

Under Act 96 of 1971, the Plan is required to maintain the following reserves:

Members Annuity Reserve Account:

This reserve represents the total of contributions deducted from the salaries of the active and terminated vested members of the retirement system together with accumulated interest additions. At January 1, 2005 the balance in this account was \$49,888,967 and it was fully funded.

County Annuity Reserve Account:

This account represents the reserves set aside for the payment of the County's share of the retirement allowances. When a retirement annuity is scheduled to commence, sufficient monies are transferred from the County Annuity Reserve Account to the Retired Members' Reserve Account to provide for such an annuity. As of January 1, 2005 the balance in this account was \$42,213,011 and it was funded to the extent of the 2004 APC.

Retired Members' Reserve Account:

This is the account out of which monthly retirement allowances, including cost-of-living increases and death benefits, are paid. As of January 1, 2005 the balance in this account amounted to a fully funded \$32,479,306.

Component Unit - CCBC

CCBC participates in a cost sharing defined benefit multiple-employer Public School Employees' Retirement System (PSERS) established under and administered by authority of the Public School Employees' Retirement Code Act No. 96 of October 2, 1975, as amended (24 Pa. C.S. 8101-8535). PSERS is a component unit of the Commonwealth of Pennsylvania.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2004 and June 30, 2004

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

Component Unit - CCBC - (Continued)

A brief summary of the plan's provisions are as follows:

- Pension Benefits-** Eligible participants are entitled to a normal retirement allowance totaling 2.5% of the participants' final average compensation, as defined, multiplied by the number of years of credited service. Full vesting is reached after 10 years of credited service. The plan provides for retirement, death and disability benefits, legislatively mandated ad hoc cost-of-living adjustments, and healthcare insurance premium assistance to qualifying annuitants. Early retirement is an additional feature of this plan.
- Retirement Age-** Participants may retire with normal benefits at age 62, age 60 with 30 or more years of service, or with 35 years of service regardless of age.
- Death Benefits-** When a participant dies in active service after attaining age 62 or 10 years of service, the beneficiary is entitled to a death benefit equal to the benefit which would have been effective if the member retired on the day before death.
- Disability Benefits-** A participant who becomes disabled after completing 5 years of credited service is eligible for an annuity totaling 2.5% of the final average salary, as defined, multiplied by the number of years of credited service, but not less than one-third of such salary, nor greater than the benefit the member would have had at normal retirement age.

The employer and employee obligations to contribute are established by authority of the aforementioned Public School Employees' Retirement Code and require contributions by active members, participating employers, and the Commonwealth.

Contributions required of employers are based upon an actuarial valuation. For fiscal year ended June 30, 2004, the rate of employer contribution was 3.77% of covered payroll. This rate is comprised of a 0.79% rate for health insurance premium assistance and a pension rate of 2.98%. Pension expense for CCBC for the year ended June 30, 2004 totaled \$35,050 based on a total covered payroll of \$929,708.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2004 and June 30, 2004

NOTE G - EMPLOYEE RETIREMENT PLAN - (Continued)

Component Unit - CCBC - (Continued)

Active members who joined the system prior to July 22, 1983, contribute at 5.25% (Membership Class TC) or at 6.5% (Membership Class TD) of the member's qualifying compensation. Members who joined the System on or after July 22, 1983 and who were active or inactive as of July 1, 2001, contribute at 6.25% (Member Class TC) or at 7.5% (Member Class TD) of the member's qualifying compensation. Members who joined the System after June 30, 2001 contribute at 7.5% (automatic Membership Class TD). CCBC employees contributed \$132,432 to the plan for the year ended June 30, 2004.

The PSERS issues a comprehensive annual financial report that includes financial statements and required supplementary information of the plan. A copy of the report may be obtained by writing to Barbara D. Flurie, Office of Financial Management and Budget, Public School Employees Retirement System, P.O. Box 125, Harrisburg, PA 17108-0125.

NOTE H - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan established in accordance with Internal Revenue Code Section 457. The Beaver County, PA Deferred Compensation Plan No. 638001, (the Plan), a single employer defined contribution plan, is available to substantially all County employees, and permits them to defer a portion of their compensation until future years. The Plan's administrator is Nationwide Retirement Solutions, Inc. Total employee contributions for the year ended December 31, 2004 amounted to \$503,026 and there were no employer contributions for the same period. Participation in the Plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. During 1997, the County placed all assets in the Plan in a custodial account. As a result, and in accordance with GASB Statement No. 32, the Plan's assets have been removed from the County's Agency Fund.

Component Unit - BCTA

The BCTA maintains the Beaver County Transit Authority's Simplified Employees Pension Plan, a single-employer defined contribution plan. Plan provisions and contribution requirements are established and may be amended under provisions of Section 408 of the Internal Revenue Code. The BCTA is the plan's administrator and it agrees to contribute 9% of the participants' salaries, but not exceeding the federally mandated maximum for such a plan. All full-time employees with two full calendar years of service and certain other employees are eligible to participate in the plan. Participants are not entitled to contribute to the plan. BCTA's contributions amounted to approximately \$48,531 for the year ended June 30, 2004.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2004 and June 30, 2004

NOTE H - DEFERRED COMPENSATION PLAN - (Continued)

Component Unit - BCTA

- Plan assets are invested in a diversified portfolio that consists of debt and equity securities.

Component Unit - CCBC

CCBC established a Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA-CREF) under Section 403 (b) of the Internal Revenue Code for eligible employees. This TIAA-CREF is a single-employer defined contribution plan administered by CCBC. Under the plan, individual contracts are entered into for covered employees. Employees are fully vested, and the contract fully funded, in accordance with the terms of the contract. Employee contributions are 5% of covered compensation. Employer contributions vary according to compensation levels and the employees' position at CCBC. During the year ended June 30, 2004, CCBC contributed \$471,207 to this retirement plan.

NOTE I - SHORT-TERM DEBT

On January 2, 2004, the County entered into a tax revenue anticipation note agreement with a financial institution. The note provided for borrowings of \$5,000,000 bearing interest at an annual rate of 2.84%. All outstanding principal and accrued interest was satisfied prior to the note's maturity date, June 30, 2004.

Component Unit - BCTA

BCTA entered into a \$500,000 demand line of credit agreement with a financial institution on February 20, 2004. The terms of the agreement include interest payable monthly on the outstanding balance at a rate of 4%. BCTA has pledged certain federal and state grant proceeds as collateral for this obligation. There are no outstanding balances as of June 30, 2004.

Component Unit - CCBC

On July 28, 2004, CCBC entered into a working capital line of credit note for \$1,500,000. The terms of the note outline two variable per annum rates of interest based in part on the London Interbank Offering Rate. The general revenues of CCBC serve as collateral on this note.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE J - LONG-TERM LIABILITIES

The following summarizes the long-term debt activity for the year ended December 31, 2004.

	<u>Interest Rate</u>	<u>Issued</u>	<u>Maturity</u>	<u>Payable at January 1, 2004</u>	<u>Issuance</u>	<u>Retirements</u>	<u>Interest Accrued/ Amortization of Related Items</u>	<u>Payable at December 31, 2004</u>
<u>Governmental Activities</u>								
<u>General Obligation</u>								
<u>Bonds:</u>								
Construction Fund	Varies	05/16/1986	09/01/2010	\$ 4,550,315	\$ -	\$ 860,000	\$ 351,107	\$ 4,041,422
Series of 1997	4.0 - 5.3	10/15/1997	10/01/2026	60,650,000	-	185,000	-	60,465,000
Refunding Series A of 2003	1.15-2.15	07/01/2003	07/01/2008	5,263,578	-	1,080,000	23,457	4,207,035
				<u>\$70,463,893</u>	<u>\$ -</u>	<u>\$ 2,125,000</u>	<u>\$ 374,564</u>	<u>\$68,713,457</u>
<u>Other general long-term</u>								
<u>liabilities:</u>								
Pennsylvania Finance Authority ("PFA")								
Series 2002 Bonds	2.5 - 5.1	02/01/2002	09/01/2022	4,180,000	-	150,000	-	4,030,000
Total Governmental Activities				<u>\$74,643,893</u>	<u>\$ -</u>	<u>\$ 2,275,000</u>	<u>\$ 374,564</u>	<u>\$72,743,457</u>

Note: The General Obligation Bonds issued May 1986 are stated at their present value of required future payments.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE J - LONG-TERM LIABILITIES - (Continued)

<u>Business-Type Activities</u> <u>General Obligation Bonds:</u>	<u>Interest</u> <u>Rate</u>	<u>Issued</u>	<u>Maturity</u>	<u>Payable at</u> <u>January 1,</u> <u>2004</u>	<u>Issuance</u>	<u>Retirements</u>	<u>Interest</u> <u>Accrued</u>	<u>Payable at</u> <u>December</u> <u>31, 2004</u>
Series of 1998	3.45 - 4.25	11/15/1998	01/15/2013	\$ 4,615,036	\$ -	\$ 400,000	\$ 16,496	\$ 4,231,532
Series B of 2003	1.15 - 3.20	07/01/2003	07/01/2013	1,403,756	-	130,000	\$ 128	\$ 1,273,884
Total Business-Type Activities				\$ 6,018,792	\$ -	\$ 530,000	\$ 16,624	\$ 5,505,416

The following is a brief description of the outstanding debt issues of the County:

In May of 1986, the County issued \$16,270,000 of General Obligation Bonds, Series of 1986 for the purpose of funding capital projects. On this total amount, \$7,670,000 borne interest at rates ranging from 4.75% to 7.5% and was paid over the period from 1986 until it was advance-refunded in 1993. The remaining part of this series, in the amount of \$8,600,000 was issued as zero coupon bonds, yielding a principal amount of \$1,980,674. This series is being retired in semi-annual payments of \$430,000 started in 2001 and continuing through 2010. The discount rate on the zero coupon bonds was determined at the time of issue, ranging from 7.678% to 7.955%. The interest discount rate on the zero coupon bonds outstanding at December 31, 2004 ranges from 7.683% to 7.942%.

The General Obligation Bonds, Series of 1996, are considered to be legally defeased. Trust account assets and liabilities for these defeased bonds are not included in the accompanying financial statements. At December 31, 2004 \$56,980,000 of these bonds are outstanding.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2004 and June 30, 2004

NOTE J - LONG-TERM LIABILITIES - (Continued)

In November of 1997, the County issued \$61,060,000 of General Obligation Bonds, Series of 1997 for the purpose of refunding the General Obligation Bonds, Series of 1996. These bonds mature in various lots from 1999 through 2026, payable annually. Interest is paid semi-annually at rates ranging from 4.0% to 5.3%.

In November of 1998, the County issued \$6,250,000 of General Obligation Bonds, Refunding Series of 1998, for the purpose of refunding the General Obligation Bonds, Series of 1996, Geriatric Center (a series distinct from the Series of 1996 mentioned above). None of this defeased debt remains outstanding. These bonds mature annually in various lots through 2013. Interest is paid semi-annually at rates ranging from 3.45% to 4.25%. The advance refunding resulted in a reacquisition price that exceeded the net carrying amount of the defeased debt by \$247,446. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to expense through maturity using the straight-line method.

During February of 2002, the County entered into a loan agreement with the Pennsylvania Finance Authority (PFA) to borrow \$4,325,000 for the purpose of building a parking garage adjacent to the Courthouse. The County's payments under this loan agreement match the debt service requirements on the PFA's Guaranteed Revenue Bonds, Series B of 2002, of which the County is a guarantor. These bonds mature in annual lots starting in 2003 through 2022 and bear interest at ranges starting at 2.50% through 5.10%. The County is subject to several restrictive covenants as described in the aforementioned loan agreement that the County believes itself to be in compliance with.

During 2003, the County issued \$5,375,000, with a discount of \$10,737, in General Obligation Bonds, Refunding Notes, Series A of 2003 with interest rates ranging from 1.15% to 2.15% to, in part, advance refund \$5,020,000 of the outstanding General Obligation Bonds, Refunding Series A of 1993. Proceeds of \$5,132,414 were deposited in an escrow account to provide for the future debt service of the Refunding Series A of 1993, which was called as of October 2003. As a result of this advance refunding, the County increased its debt service by \$89,789. However the County did obtain an economic gain, which is the difference between the present values of the old and new debt service payments of \$172,677.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS December 31, 2004 and June 30, 2004

NOTE J - LONG-TERM LIABILITIES - (Continued)

The aggregate amount of debt service requirements during the next five years and thereafter is as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2005	\$ 2,305,000	\$ 3,392,487	\$ 540,000	\$ 204,450	\$ 2,845,000	\$ 3,596,937
2006	2,325,000	3,365,690	560,000	186,925	2,885,000	3,552,615
2007	2,355,000	3,334,973	580,000	167,862	2,935,000	3,502,835
2008	3,395,000	3,296,972	605,000	145,613	4,000,000	3,442,585
2009	2,485,000	3,204,008	625,000	122,996	3,110,000	3,327,004
2010-2014	13,965,000	14,479,790	2,745,000	233,672	16,710,000	14,713,462
2015-2019	17,850,000	10,595,667	-	-	17,850,000	10,595,667
2020-2024	22,320,000	5,443,108	-	-	22,320,000	5,443,108
2025-2026	<u>6,950,000</u>	<u>472,760</u>	-	-	<u>6,950,000</u>	<u>472,760</u>
	73,950,000	47,585,455	5,655,000	1,061,518	79,605,000	48,646,973
Unamortized Interest	(1,118,578)	1,118,578	-	-	(1,118,578)	1,118,578
Deferred loss/ discounts	<u>(87,965)</u>	<u>87,965</u>	<u>(149,584)</u>	<u>149,584</u>	<u>(237,549)</u>	<u>237,549</u>
	<u>\$72,743,457</u>	<u>\$48,791,998</u>	<u>\$5,505,416</u>	<u>\$1,211,102</u>	<u>\$78,248,873</u>	<u>\$50,003,100</u>

The following summarizes other long-term obligation activity for the year ended December 31, 2004.

	<u>Payable at January 1, 2004</u>	<u>Increase</u>	<u>Retirement</u>	<u>Payable at December 31, 2004</u>	<u>Due Within One Year</u>
Governmental Activities					
Capital lease obligations	\$8,539,190	\$ -	\$ 136,693	\$8,402,497	\$ 155,701
Compensated absences	361,022	88,069	-	449,091	25,000
Early termination benefits	-	581,746	-	581,746	153,586
Swaption	1,511,500	-	-	1,511,500	-
Basis Cap	-	1,360,000	-	1,360,000	-
	<u>\$ 10,411,712</u>	<u>\$2,029,815</u>	<u>\$ 136,693</u>	<u>\$ 12,304,834</u>	<u>\$ 334,287</u>

Typically, long-term liabilities reported by governmental activities other than those arising from the issuance of bonds or other long-term debt agreements are liquidated by the funds incurring such liabilities.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE J - LONG-TERM LIABILITIES - (Continued)

During 2003, the County issued \$1,405,000 of General Obligation Bonds, Series B of 2003, with interest rates ranging from 1.15 % to 3.20% to fund capital projects at Friendship Ridge. These bonds mature in annual lots from 2003 through 2013. Bonds maturing after October 1, 2008 can be redeemed at par plus accrued interest at the option of the County. These bonds were also issued at a minor discount which is being amortized on a straight-line basis.

Except for refunding and advance refunding debt issues, all bonds were issued with the purpose of funding construction and capital improvements.

Changes in the rate of interest payable on the various outstanding bonds are determined by the applicable bond indenture.

The following schedule presents the principal amount of each long term debt issue due within one year of the date of these financial statements.

Governmental activities	
Construction Fund	\$ 860,000
1997 Bonds	195,000
PFA Series B of 2002 Bonds	155,000
Series A of 2003	<u>1,095,000</u>
Total	2,305,000
Business-type activities	
Series of 1998	410,000
Series B of 2003	<u>130,000</u>
Total	540,000
Total Primary Government	<u>\$ 2,845,000</u>

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Minimum lease payments due within one year are reported as follows in the government-wide Statement of Net Assets.

	<u>Human Services Building</u>	<u>Land</u>	<u>Community Development Building</u>	<u>Total Governmental Activities</u>
2005	\$525,746	\$ 28,800	\$ 32,000	\$ 586,546
Less: Amount representing Interest costs	<u>(390,318)</u>	<u>(19,199)</u>	<u>(21,328)</u>	<u>(430,845)</u>
Present value	<u>\$135,428</u>	<u>\$ 9,601</u>	<u>\$ 10,672</u>	<u>\$ 155,701</u>

Swaption

The County has entered into a contract that provides a counterparty the right to refund the 1997 Bonds between October 1, 2007 and October 1, 2009. In exchange for the County's right to relinquish the 1997 Bonds, the County received \$1,511,500 ("Swaption") in December, 2002, which it recorded as a non-current liability in the Statement of Net Assets. This agreement's fair value (as calculated by a forecast of discounted expected cash flows) approximates its carrying amount. The transaction was initiated because the County estimates the financial outcome is more favorable than under the original terms of the 1997 Bonds. Should the counterparty forfeit its right to exercise the option to refund the 1997 Bonds, the County could be subject to a termination payment to the counterparty.

Basis Cap

During September 2004 the County received \$1,360,000 (net of \$255,000 in fees) from a counterparty to an agreement for a financial instrument known as "Basis Cap." The agreement provides for the County to pay certain amounts monthly if a prescribed relationship between two interest rate indices takes place. Payments, if any are due, would start no sooner than October 1, 2007, and would end no later than the date the last principal installment payment on the 1997 Bonds is made. The fair value of the Basis Cap is calculated by a forecast of discounted expected cash flows and it approximates its carrying value. The County believes the final economic outcome of this transaction will be favorable. Termination payments under certain conditions may be required by either party to the agreement.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE J - LONG-TERM LIABILITIES - (Continued)

Capital Lease Obligations

The County has recorded the following assets in the government-wide Statement of Net Assets under capital lease obligations:

	Governmental Activities	Business-Type Activities
Land	\$ 392,984	\$ -
Buildings	8,306,820	-
Equipment	-	497,340

The County entered into a lease agreement with the PFA during 2002. The lease is for a building to consolidate office locations of the County's human services agencies. These agencies occupied this building beginning in 2003. Construction of this building was financed by the PFA's issue of \$7,865,000 of Guaranteed Lease Revenue Bonds, Series A of 2002. The County is the guarantor of this bond issue and the minimum lease payments over the 342-month term amount to \$14,983,759, which is the amount required for the debt service on the PFA bond. The monthly payment under this lease amounts to \$43,812. The County shall have the right to acquire title to the property for no additional consideration at the earlier of the expiration of the lease or when the bond issue related to the financing of this building is no longer outstanding. Minimum lease payments outstanding as of year-end amount to \$14,063,705.

A land lease for the aforementioned buildings is in effect with the PFA. The lease calls for monthly payments through September 2026 amounting to a remaining total of \$626,400. Payments are due monthly at \$2,400 each. The County acquires title to the land upon expiration of the lease at no additional cost.

A second lease agreement was entered into between the County and the City of Beaver Falls. The lease is for a building to house the Community Development Program of Beaver County and a parking lot. Remaining lease payments amount to approximately \$696,000 for a term ranging through September 2026. Payments under this lease are due quarterly at \$8,000 each. The building's title passes to the County upon expiration of the lease at no additional cost.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2004 and June 30, 2004

NOTE J - LONG-TERM LIABILITIES - (Continued)

The County leases certain equipment for the operation of its Emergency Services 9-1-1 Center. A bargain purchase option is available to the County in 2005, when the term of the lease expires. Though the lease was paid off in 2003, the lease provides that the County may use the equipment for an additional two years for a nominal service fee. The amortization expense for the year was \$49,734.

The following schedule summarizes future minimum lease payments due.

	Human Services <u>Building</u>	<u>Land</u>	Community Development <u>Building</u>	Total Minimum <u>Lease Payments</u>
2005	\$ 525,746	\$ 28,800	\$ 32,000	\$ 586,546
2006	525,746	28,800	32,000	586,546
2007	525,746	28,800	32,000	586,546
2008	525,746	28,800	32,000	586,546
2009	525,746	28,800	32,000	586,546
2010-2014	2,628,730	144,000	160,000	2,932,730
2015-2019	2,628,730	144,000	160,000	2,932,730
2020-2024	2,628,730	144,000	160,000	2,932,730
2025-2029	2,628,730	50,400	56,000	2,735,130
2030-2032	<u>920,055</u>	<u>-</u>	<u>-</u>	<u>920,055</u>
Totals	14,063,705	626,400	696,000	15,386,105
Less: Amount representing Interest Costs	<u>(6,453,265)</u>	<u>(250,757)</u>	<u>(279,586)</u>	<u>(6,983,608)</u>
Present value	<u>\$7,610,440</u>	<u>\$ 375,643</u>	<u>\$ 416,414</u>	<u>\$ 8,402,497</u>

The interest rates used to calculate the amount representing interest costs were obtained from the individual lease agreements and are 5.17% for governmental activities.

County of Beaver, Pennsylvania

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2003**

NOTE A - BASIS OF BUDGETING

Appropriated budgets are adopted on a modified accrual basis consistent with generally accepted accounting principles by fund, by department and by line-item. Line-items are specific revenues and expenditures, such as taxes, fees, salaries, and supplies. Transfers of appropriations may be requested between line-items within a department or between departments within the same fund. All transfers of appropriations require the approval of the Commissioners. The legal level of control is exercised by fund, department and at each line-item.

Actual expenditures exceeded budgeted expenditures for Mental Health / Mental Retardation due to differing fiscal periods of the County and the fund's grantor.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE J - LONG-TERM LIABILITIES - (Continued)

The following schedule summarizes the components of the disclosures of the non-current liabilities on the government-wide Statement of Net Assets:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Due within one year		
Long term debt	\$ 2,305,000	\$ 540,000
Obligations under capital lease	155,701	-
Compensated absences	25,000	-
Early termination benefits	153,586	-
Total	<u>\$ 2,639,287</u>	<u>\$ 540,000</u>
Due in more than one year		
Long term debt	\$70,438,457	\$4,965,416
Obligations under capital lease	8,246,796	-
Compensated absences	424,091	-
Early termination benefits	428,160	-
Swaption	1,511,500	-
Basis Cap	1,360,000	-
Total	<u>\$82,409,004</u>	<u>\$4,965,416</u>

Component Unit - CCBC

In February of 1998, the Pennsylvania Finance Authority (PFA) issued \$9,195,000 in PFA Revenue Bonds, Series of 1998. In connection with the issuance of these bonds, the PFA entered into a loan agreement with CCBC for the purpose of refinancing the prior loan agreement with the PFA, based on the PFA Revenue Bonds, Series A of 1994, and to fund certain expenditures. The loan agreement called for PFA to loan the proceeds of the bonds to CCBC and for CCBC to make payments equal to the debt service requirements of the bonds. The bonds mature in annual lots through 2020 with the lots bearing interest at rates ranging from 3.60% to 4.875%. Interest is payable semi-annually. The bonds can be redeemed early at the option of the PFA.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2004 and June 30, 2004

NOTE J - LONG-TERM LIABILITIES - (Continued)

As is the case with the current agreement, CCBC was responsible for the debt service on the PFA Revenue Bonds, Series A of 1994, under the prior loan agreement. Once the PFA advance refunded these bonds by depositing the proceeds of the PFA Revenue Bonds, Series of 1998, into an irrevocable trust to provide for the debt service on the Series A of 1994, this series, and hence the 1994 loan agreement were considered to be defeased. As of June 30, 2004, the amount of defeased debt outstanding on the Series of 1994 bond issue is \$6,450,000. In accordance with GASB Statement 23, "Accounting and Reporting for Refunding of Debt for Proprietary Activities," the excess of the reacquisition price over the net carrying amount of refunded debt is recorded as a reduction to long-term debt on the statement of net assets and amortized over the shorter of the term of the refunding issue or refunded bonds. CCBC incurred a deferred refunding loss of \$569,680, which is being amortized over the life of the refunding issue using the straight-line method. During the year ended June 30, 2004, CCBC amortized \$26,092 of this loss.

On December 5, 2000, CCBC signed a \$675,000 promissory note obligation with Parkvale Savings Bank for the purchase of an information system. The terms of the note call for payment of principal and interest annually in the amount of \$150,688 for a period of five years at a rate of 5.67%. The principal balance outstanding at June 30, 2004 is scheduled to mature in December of 2004.

On July 28, 2003, CCBC borrowed \$310,000 in the form of a Term Loan Note in order to finance the purchase of a Radar Simulator. The terms of the note call for the monthly payment of principal and interest of \$5,605 for a period of five years at an interest rate of 3.25%. The note is scheduled to mature on July 28, 2008. The equipment purchased serves as collateral on the note.

NOTE K - CONTINGENCIES

The County participates in a number of federal and state assisted grant programs. These grants are generally subject to program compliance audits by the grantors. Such audits could result in expenditures being disallowed and funds being due back to the grantor agencies. The amount of expenditures that may be disallowed in the future, if any, cannot be determined at this time.

The County is party to claims and other legal proceedings incidental to the ordinary course of its operations. Management has provided for certain matters, where considered necessary, in the financial statements. For other claims, management is of the opinion that these matters will not have a material effect on the County's financial position.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE K - CONTINGENCIES - (Continued)

Component Unit - BCTA

The BCTA's state and federally funded programs are subject to audit by various governmental agencies. The BCTA is potentially liable for any expenditures disallowed by the results of these audits. Management is not aware of any items of noncompliance which would result in the disallowance of program expenditures.

Component Unit - CCBC

CCBC's state and federally funded programs are subject to audit by various governmental agencies. The college is potentially liable for any expenditures disallowed by the results of these audits. The Commonwealth of Pennsylvania's Office of Labor, Education and Community Services conducts annual audits of CCBC's Claim for Subsidy Reimbursement submitted annually to the Commonwealth. CCBC has received the results of the audits for the years ended June 30, 2001 and 2002. The results of these audits reflect a balance due and owing the Commonwealth of Pennsylvania totaling \$109,068 which is under appeal by CCBC. This balance has been subtracted from Management's preliminary estimate of remaining subsidy monies due CCBC for the fiscal year ended June 30, 2004. Management is not aware of any additional items of noncompliance which would result in the disallowance of program expenditures.

CCBC's Police Technology Program is currently under review by the Commonwealth of Pennsylvania for compliance with program regulations. CCBC is potentially liable for any costs of program noncompliance not covered by commercial insurance. Estimates regarding potential non-covered costs, are \$150,000. On September 25, 2003, the Commonwealth of Pennsylvania reinstated CCBC's Police Technology Program. The Commonwealth of Pennsylvania gave CCBC permission to resume the Police Technology Program in January 2004.

NOTE L - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters, as well as from workers' compensation and health care programs.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2004 and June 30, 2004

NOTE L - RISK MANAGEMENT - (Continued)

The County is a member of the Pennsylvania Counties Risk Pool (PCoRP) and as such is provided with insurance coverage relating to property, general liability, automobile, errors and omissions, and crime coverage. There have been no significant changes in coverage in the past three years; and settled claims have not exceeded the coverage in those years.

During 2002 and 2003, the County was a member of the Pennsylvania Counties Worker's Compensation Trust (PComp) and as such was provided with insurance coverage related to worker's compensation. Prior to 2002, the County purchased commercial insurance for worker's compensation claims. Settled claims did not exceed commercial coverage during the two years ended December 31, 2003. During 2004, PComp assessed its members additional premiums relating to policy years 2000 through 2002. The County's portion of the assessment is \$93,500, payable in two yearly installments starting in 2005.

As of January 1, 2004, the County has elected to self-fund workers' compensation claims. Under the program, the County pays all claims directly. In addition, the County purchased individual and aggregate stop-loss insurance from a commercial carrier to protect it from catastrophic claims. The County, however, retains the risk for workers' compensation claims above this coverage. This program uses the existing internal service fund to pay claims and administrative expenses using allocations from other operating funds, with the exception of Friendship Ridge. Revenues into this fund are transferred from other operating funds based upon the employee complement. During the year ended December 31, 2004, \$238,904 and \$84,908 was incurred and paid, respectively, in claims related to workers' compensation claims, excluding those affecting Friendship Ridge. Friendship Ridge incurred \$222,192 and paid \$156,230 in workers' compensation claims during 2004. As of December 31, 2004, the County obtained two letters of credit amounting to \$1,000,000 and \$360,814 relating to its workers' compensation plans.

PCoRP and PComp are public entity pools exclusively for member counties of the County Commissioners Association of Pennsylvania. PCoRP was organized as a property and casualty self-insurer through the pooling of resources of members electing to participate in PCoRP. PComp was organized as a workers' compensation self-insurer through the pooling of resources of members electing to participate in PComp. In accordance with Pennsylvania statute, PCoRP and PComp provide coverage for events which are reported within 24 months of the date incurred. Both PCoRP and PComp use reinsurance agreements to reduce exposure to large losses on insured events. The County is charged periodic payments for its coverage.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE L - RISK MANAGEMENT - (Continued)

The County has elected to self-fund the health and drug benefit program for its employees. Under the program, the County employs a third party administrator and pays all medical claims directly. In addition, the County purchases individual and aggregate stop-loss insurance from a commercial carrier to protect it from catastrophic claims. Settled claims have not exceeded the stop-loss insurance coverage for the past three years, but the County retains the risk for medical claims above this coverage. An internal service fund has been created to fund the claims and administrative expenses using allocations from other operating funds, with the exception of Friendship Ridge. Revenues into this fund are transferred from other operating funds based upon the employee complement.

Changes in the estimate of the claims liability are as follows:

	<u>Beaver County</u>	<u>Friendship Ridge</u>
Liability balance - January 1, 2003	\$ 648,884	\$ 1,064,997
Incurred claims and estimates	5,899,646	2,790,682
Less:		
Claims paid during period	<u>5,766,280</u>	<u>3,225,152</u>
Liability balance - December 31, 2003	782,250	630,527
Incurred claims and estimates	7,374,589	4,050,960
Less:		
Claims paid during period	<u>7,414,466</u>	<u>3,991,782</u>
Liability balance - December 31, 2004	<u>\$ 742,373</u>	<u>\$ 689,705</u>

Component Unit - BCTA

The Beaver County Transit Authority is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

Effective July 1, 2001, BCTA established a self-insurance program for its automobile liability claims, subject to a maximum of \$100,000 per accident, not to exceed \$310,000 in the aggregate. BCTA established this self-insurance program with an initial \$10,000 escrow deposit with a claims management company.

County of Beaver, Pennsylvania

**NOTES TO BASIC FINANCIAL STATEMENTS
December 31, 2004 and June 30, 2004**

NOTE L - RISK MANAGEMENT - (Continued)

Component Unit - CCBC

CCBC is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

NOTE M - COMMITMENTS

Beaver County has open commitments for normal operations of approximately \$117,795 and \$227,082 for construction projects as of December 31, 2004.

Friendship Ridge has open commitments for various renovation projects and other significant contracts amounting to approximately \$1,650,000 as of December 31, 2004.

NOTE N - SUBSEQUENT EVENTS

On April 15, 2005, the Board of Commissioners authorized for the County to incur lease rental debt not to exceed \$4,350,000 to finance the construction of a performing arts center and the renovation of a building owned by the County (the Conservation Building). The scheduled debt service payments of the County guarantee the payment of the Federally Taxable Guaranteed Revenue Bonds, Series A of 2005, and the Federally Taxable Guaranteed Lease Revenue Bonds, Series B of 2005, both issued by the Pennsylvania Finance Authority.

The County issued a Tax and Revenue Anticipation Note (TRAN) on January 3, 2005 in advance of property tax collections, depositing the \$3,500,000 proceeds into the General Fund. The TRAN had an annual interest rate of 3.56%, costing a total \$17,429 when redeemed on March 10, 2005.

County of Beaver, Pennsylvania

NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2004 and June 30, 2004

NOTE N - SUBSEQUENT EVENTS - (Continued)

During the County's 2005 budget preparation the County noticed a need to increase funding sources and/or decrease its expenditures and/or obligations. The County made expenditure reductions during 2004 and 2005. In addition, the County is exploring other funding sources which may be required during the remainder of 2005 to satisfy its remaining obligations, including debt service payments and pension obligations. Such funding sources may include borrowing from banks and/or the disposal of certain property of the County. County management believes that the County will be able to implement its plans and satisfy its obligations on a timely basis. Further future cost reductions may occur to reduce the County's future cash requirements.

REQUIRED SUPPLEMENTAL INFORMATION

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County of Beaver, Pennsylvania

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
December 31, 2004**

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage of Annual Required Contribution Recognized in Plan Assets for that Year</u>
December 31, 2004	\$ 3,652,159	100%
December 31, 2003	\$ 3,325,708	100%
December 31, 2002	\$ 1,468,601	100%
December 31, 2001	-	N/A
December 31, 2000	-	N/A
December 31, 1999	-	N/A

The information presented above was determined as part of the actuarial valuations performed on January 1 of each of the years ended as indicated above. The additional information is for all years presented unless otherwise indicated.

Actuarial cost method:	Aggregate actuarial *
Asset valuation method	Five-year smoothed market
Actuarial assumptions:	
Inflation adjustment:	3%
Investment rate of return:	7.5% for 1998 - 2003
Projected salary increase:	4.5% for 1998 - 2001, 3% for 2002, 3.25 for 2003
Cost-of-living adjustment:	25% of CPI, except 100% of CPI effective as of January 1, 2000

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2004

	<u>Budgeted Amount</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
REVENUES				
Real Estate Taxes	\$ 32,450,459	\$ 32,466,829	\$ 32,890,800	\$ 423,971
Licenses and Permits	87,800	87,800	77,137	(10,663)
Interest and Rents	617,950	617,950	634,139	16,189
Intergovernmental Revenues	3,349,486	3,993,534	3,670,768	(322,766)
Charges for Services and Facilities	5,785,869	5,804,829	6,014,249	209,420
Project Income	259,600	263,658	588,306	324,648
Miscellaneous	2,281,850	2,484,228	1,637,788	(846,440)
TOTAL REVENUES	<u>44,833,014</u>	<u>45,718,828</u>	<u>45,513,187</u>	<u>(205,641)</u>
EXPENDITURES				
Current				
General Government	7,822,589	9,925,318	9,377,814	(547,504)
Judicial	9,872,958	10,326,973	9,756,823	(570,150)
Public Safety	11,229,101	12,377,596	11,267,716	(1,109,880)
Public Works and Enterprises	3,393,402	3,591,963	3,329,851	(262,112)
Culture, Recreation and Conservation	2,840,353	3,094,950	2,803,330	(291,620)
Intergovernmental				
Human Services	7,136,686	7,622,539	7,716,049	93,510
Miscellaneous	1,277,610	936,237	501,769	(434,468)
Debt Service				
Principal	1,629,681	1,797,282	1,900,436	103,154
Interest	4,062,868	2,195,111	1,620,559	(574,552)
Capital Outlay				
Infrastructure	10,900	11,006	10,900	(106)
Fixed Asset Acquisition and Improvements	53,700	246,194	251,759	5,565
TOTAL EXPENDITURES	<u>49,329,848</u>	<u>52,125,169</u>	<u>48,537,006</u>	<u>(3,588,163)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,496,834)</u>	<u>(6,406,341)</u>	<u>(3,023,819)</u>	<u>3,382,522</u>
OTHER FINANCING SOURCES (USES)				
Excess funds from bond redemption	-	-	18,305	18,305
Proceeds from Basis Cap	-	-	1,360,000	1,360,000
Transfers from Other Funds	1,836,316	3,738,823	704,329	(3,034,494)
Transfers to Other Funds	-	-	(317,007)	(317,007)
TOTAL OTHER FINANCING SOURCES	<u>1,836,316</u>	<u>3,738,823</u>	<u>1,765,627</u>	<u>(1,973,196)</u>
NET CHANGE IN FUND BALANCE	<u>(2,660,518)</u>	<u>(2,667,518)</u>	<u>(1,258,192)</u>	<u>1,409,326</u>
Fund Balance - Beginning	<u>2,660,518</u>	<u>2,667,518</u>	<u>2,021,976</u>	<u>(645,542)</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 763,784</u>	<u>\$ 763,784</u>

The accompanying note is an integral part of this financial schedule

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
MENTAL HEALTH / MENTAL RETARDATION
For the Year Ended December 31, 2004**

	<u>Budget</u>			<u>Variance Over (Under)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 31,403,000	\$ 32,232,504	\$ 31,699,110	\$ (533,394)
Program / Project Income	990,000	990,000	984,078	(5,922)
Interest	148,500	148,500	56,705	(91,795)
Miscellaneous	293,000	462,000	43,164	(418,836)
Total Revenues	<u>32,834,500</u>	<u>33,833,004</u>	<u>32,783,057</u>	<u>(1,049,947)</u>
Expenditures				
Salaries & Benefits	3,849,021	3,665,374	3,661,040	(4,334)
Personnel Expense	27,500	49,541	49,043	(498)
Consultant/Contracted Svcs.	226,000	247,451	231,214	(16,237)
Sub Contracted Services	26,858,303	28,794,808	28,162,278	(632,530)
Occupancy	95,200	85,817	79,236	(6,581)
Communication	176,000	70,943	70,215	(728)
Supplies & Minor Equip.	157,000	193,325	188,889	(4,436)
Transportation	25,000	18,332	16,332	(2,000)
Other Expenditures	687,751	491,299	637,413	146,114
Capital Outlay	236,000	115,517	118,000	2,483
Total Expenditures	<u>32,337,775</u>	<u>33,732,407</u>	<u>33,213,660</u>	<u>(518,747)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	496,725	100,597	(430,603)	(531,200)
Fund Balance - Beginning	<u>7,173,740</u>	<u>7,173,740</u>	<u>279,562</u>	<u>(6,894,178)</u>
Fund Balance - Ending	<u>\$ 7,670,465</u>	<u>\$ 7,274,337</u>	<u>\$ (151,041)</u>	<u>\$ (7,425,378)</u>

The accompanying note is an integral part of this financial schedule

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
CHILDREN AND YOUTH
For the Year Ended December 31, 2004**

	Budget			Variance Over (Under)
	Original	Final	Actual	
Revenues				
Intergovernmental	\$ 14,833,896	\$ 14,833,896	\$ 13,743,403	\$ (1,090,493)
Program / Project Income	200,000	200,000	217,609	17,609
Interest	12,100	12,100	24,404	12,304
Miscellaneous	-	725,381	725,381	-
Total Revenues	<u>15,045,996</u>	<u>15,771,377</u>	<u>14,710,797</u>	<u>(1,060,580)</u>
Expenditures				
Reimbursement to General Fund	-	761,381	761,379	(2)
Salaries & Benefits	3,597,524	3,789,332	3,716,899	(72,433)
Personnel Expense	51,810	46,932	20,996	(25,936)
Consultant/Contracted Svcs.	871,000	826,285	648,698	(177,587)
Sub Contracted Services	4,805,000	4,792,000	4,053,488	(738,512)
Occupancy	306,000	273,986	260,813	(13,173)
Communication	162,250	151,455	85,693	(65,762)
Supplies & Minor Equip.	414,000	252,786	208,755	(44,031)
Transportation	97,000	99,286	84,488	(14,798)
Other Expenditures	5,158,692	5,205,862	5,043,369	(162,493)
Capital Outlay	76,000	203,963	164,852	(39,111)
Total Expenditures	<u>15,539,276</u>	<u>16,403,268</u>	<u>15,049,430</u>	<u>(1,353,838)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)	(493,280)	(631,891)	(338,633)	293,258
Fund Balance - Beginning	<u>757,692</u>	<u>757,692</u>	<u>807,747</u>	<u>50,055</u>
Fund Balance - Ending	<u>\$ 264,412</u>	<u>\$ 125,801</u>	<u>\$ 469,114</u>	<u>\$ 343,313</u>

The accompanying note is an integral part of this financial schedule

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT
Year Ended December 31, 2004**

	Budget		2004	Variance
	Original	Final	Actual	Over (Under)
Revenues				
Intergovernmental	\$ 9,363,754	\$ 10,793,900	\$ 8,082,942	\$ (2,710,958)
Program / Project Income	800,000	947,556	693,901	(253,655)
Interest	30,200	30,200	18,885	(11,315)
Miscellaneous	-	-	-	-
Total Revenues	<u>10,193,954</u>	<u>11,771,656</u>	<u>8,795,728</u>	<u>(2,975,928)</u>
Expenditures				
Reimbursement Income	-	-	-	-
Salaries & Benefits	366,900	388,514	353,562	(34,952)
Debt Payments	189,692	189,692	189,692	-
Personnel Expense	8,537	9,061	6,848	(2,213)
Consultant/Contracted Svcs.	8,314,060	9,824,981	6,855,849	(2,969,132)
Sub Contracted Services	1,057,607	1,054,814	716,524	(338,290)
Communication	26,500	26,652	18,980	(7,672)
Supplies & Minor Equip.	32,000	33,701	32,510	(1,191)
Transportation	10,000	10,000	6,747	(3,253)
Other Expenditures	101,000	101,000	61,126	(39,874)
Occupancy	47,136	83,136	49,956	(33,180)
Capital Outlay	10,500	20,083	11,799	(8,284)
Total Expenditures	<u>10,163,932</u>	<u>11,741,634</u>	<u>8,303,593</u>	<u>(3,438,041)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	30,022	30,022	492,135	462,113
Other Financing Sources (Uses)				
Other Financing Uses	-	-	-	-
Total Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - January 1, 2004	<u>1,190,000</u>	<u>1,190,000</u>	<u>908,134</u>	<u>(281,866)</u>
Fund Balance - December 31, 2004	<u>\$ 1,220,022</u>	<u>\$ 1,220,022</u>	<u>\$ 1,400,269</u>	<u>\$ 180,247</u>

County of Beaver, Pennsylvania

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

Year Ended December 31, 2004

	Budget		2004	Variance
	Original	Final	Actual	Over (Under)
PUBLIC SAFETY				
Emergency Services				
Reimbursement From 911				
Fund	\$ (1,033,180)	\$ (1,033,180)	\$ (1,043,660)	\$ (10,480)
Salaries & Benefits	1,935,244	2,108,277	2,064,723	(43,554)
Personnel Expense	6,700	4,200	362	(3,838)
Occupancy	35,962	35,962	29,342	(6,620)
Communication	1,900	9,554	5,140	(4,414)
Supplies & Minor Equipment	22,200	25,689	22,788	(2,901)
Transportation	2,500	2,500	1,457	(1,043)
Consultant/Contracted Svcs	21,890	66,618	60,220	(6,398)
Other Expenses	12,950	12,950	11,167	(1,783)
Total Expenditures	1,006,166	1,232,570	1,151,539	(81,031)
Jail Of Beaver County				
Salaries & Benefits	4,898,457	5,340,577	5,247,890	(92,687)
Personnel Expense	37,900	37,900	25,005	(12,895)
Occupancy	243,986	247,021	230,966	(16,055)
Communication	23,000	23,000	14,989	(8,011)
Supplies & Minor Equipment	152,500	153,219	93,594	(59,625)
Transportation	6,200	6,576	6,575	(1)
Consultant/Contracted Svcs	1,000	1,000	400	(600)
Other Expenses	1,261,103	1,334,133	1,254,280	(79,853)
Total Expenditures	6,624,146	7,143,426	6,873,699	(269,727)

OTHER SUPPLEMENTAL INFORMATION

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County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2004**

	Budget		2004	Variance
	Original	Final	Actual	Over (Under)
GENERAL GOVERNMENT				
Commissioners				
Salaries & Benefits	401,099	501,296	500,330	(966)
Personnel Expense	400	400	365	(35)
Occupancy	162	162	162	-
Communication	3,400	6,502	5,328	(1,174)
Supplies & Minor Equipment	5,350	6,934	4,008	(2,926)
Transportation	3,200	3,200	1,903	(1,297)
Consultant/Contracted	-	60,000	60,000	-
Other Expenses	4,700	2,831	1,808	(1,023)
Total Expenditures	418,311	581,325	573,904	(7,421)
Controller				
Salaries & Benefits	724,310	783,239	777,252	(5,987)
Personnel Expense	11,700	2,534	2,252	(282)
Occupancy	1,944	1,944	1,944	-
Communication	7,800	7,600	3,030	(4,570)
Supplies & Minor Equipment	10,500	10,500	6,858	(3,642)
Transportation	1,500	1,500	495	(1,005)
Other Expenses	5,000	4,266	1,111	(3,155)
Total Expenditures	762,754	811,583	792,942	(18,641)
Treasurer				
Salaries & Benefits	548,115	553,589	552,252	(1,337)
Personnel Expense	700	700	660	(40)
Occupancy	2,754	2,754	2,754	-
Communication	54,100	53,675	46,349	(7,326)
Supplies & Minor Equipment	24,300	18,129	15,579	(2,550)
Transportation	6,000	4,000	3,700	(300)
Other Expenses	1,000	17,795	17,764	(31)
Tax Refunds	75,000	120,849	108,978	(11,871)
Total Expenditures	711,969	771,491	748,036	(23,455)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2004**

	Budget		2004	Variance
	Original	Final	Actual	Over (Under)
Recorder Of Deeds				
Salaries & Benefits	\$ 513,281	\$ 538,534	\$ 533,968	\$ (4,566)
Personnel Expense	1,650	1,650	1,518	(132)
Occupancy	2,430	2,430	2,430	-
Communication	3,300	3,300	2,143	(1,157)
Supplies & Minor Equipment	32,000	32,292	26,981	(5,311)
Transportation	2,500	2,500	1,452	(1,048)
Contracted Services	35,000	-	-	-
Other Expenses	100	100	-	(100)
Total Expenditures	590,261	580,806	568,492	(12,314)
Solicitor				
Salaries & Benefits	186,813	198,416	197,614	(802)
Personnel Expense	-	2,100	2,030	(70)
Occupancy	162	162	162	-
Communication	-	615	415	(200)
Supplies & Minor Equipment	-	2,130	1,619	(511)
Transportation	-	1,000	760	(240)
Other Expenses	-	200	37	(163)
Total Expenditures	186,975	204,623	202,637	(1,986)
Employee Relations				
Salaries & Benefits	482,480	548,583	548,137	(446)
Personnel Expense	63,750	32,463	29,735	(2,728)
Occupancy	162	162	162	-
Communication	2,050	1,213	1,213	-
Supplies & Minor Equipment	3,100	1,498	1,498	-
Transportation	500	45	45	-
Consultant/Contracted	147,400	175,552	181,581	6,029
Total Expenditures	699,442	759,516	762,371	2,855

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2004**

	<u>Budget</u>		<u>2004</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
Mallroom				
Salaries & Benefits	\$ 31,210	\$ 32,406	\$ 29,185	\$ (3,221)
Communication	-	-	6,133	6,133
Supplies & Minor Equipment	2,860	3,930	3,370	(560)
Other Expenses	1,070	-	-	-
Total Expenditures	<u>35,140</u>	<u>36,336</u>	<u>38,688</u>	<u>2,352</u>
Microfilm				
Salaries & Benefits	203,287	215,362	204,820	(10,542)
Occupancy	2,100	2,100	2,000	(100)
Communication	20	20	5	(15)
Supplies & Minor Equipment	35,700	35,650	24,856	(10,794)
Transportation	180	180	-	(180)
Consultant/Contracted	5,500	5,500	4,338	(1,162)
Other Expenses	10,000	11,000	10,667	(333)
Total Expenditures	<u>256,787</u>	<u>269,812</u>	<u>246,686</u>	<u>(23,126)</u>
Central Telephone				
Salaries & Benefits	49,148	51,465	45,624	(5,841)
Personnel Expense	2,000	2,193	1,617	(576)
Communication	58,000	58,000	43,281	(14,719)
Supplies & Minor Equipment	12,300	12,300	9,160	(3,140)
Total Expenditures	<u>121,448</u>	<u>123,958</u>	<u>99,682</u>	<u>(24,276)</u>
Information Technology				
Salaries & Benefits	733,777	787,937	786,067	(1,870)
Personnel Expense	6,000	3,517	3,516	(1)
Occupancy	162	162	162	-
Communication	32,800	33,840	26,448	(7,392)
Supplies & Minor Equipment	134,500	175,500	168,896	(6,604)
Transportation	2,000	5,763	5,746	(17)
Consultant/Contracted	50,000	62,410	56,128	(6,282)
Other Expenses	51,500	180	180	-
Total Expenditures	<u>1,010,739</u>	<u>1,069,309</u>	<u>1,047,143</u>	<u>(22,166)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2004**

	Budget		2004	Variance
	Original	Final	Actual	Over (Under)
Purchasing Department				
Salaries & Benefits	\$ 156,434	\$ 164,196	\$ 135,764	\$ (28,432)
Personnel Expense	520	520	227	(293)
Occupancy	82	82	81	(1)
Communication	7,200	7,200	5,518	(1,682)
Supplies & Minor Equipment	15,615	15,620	(14,868)	(30,488)
Transportation	150	145	-	(145)
Other Expenses	700	700	385	(315)
Total Expenditures	180,701	188,463	127,107	(61,356)
Engineering				
Salaries & Benefits	-	531	531	-
Total Expenditures	-	531	531	-
Planning Commission				
Salaries & Benefits	346,054	395,377	391,095	(4,282)
Personnel Expense	2,000	900	284	(616)
Subsidies	4,000	9,500	7,461	(2,039)
Occupancy	648	648	648	-
Communication	4,650	4,688	3,075	(1,613)
Supplies & Minor Equipment	10,500	5,800	4,427	(1,373)
Transportation	3,500	5,000	4,195	(805)
Contracted Services	227,100	233,829	189,895	(43,934)
Other Expenses	3,600	2,400	1,667	(733)
Total Expenditures	602,052	658,142	602,747	(55,395)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2004**

	<u>Budget</u>		<u>2004</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
Weights And Measures				
Salaries & Benefits	\$ 32,061	\$ 34,186	\$ 33,533	\$ (653)
Communication	50	50	5	(45)
Supplies & Minor Equipment	400	400	307	(93)
Transportation	6,500	6,500	5,788	(712)
Total Expenditures	39,011	41,136	39,633	(1,503)
Veterans Affairs				
Salaries & Benefits	168,570	177,141	176,786	(355)
Personnel Expense	800	800	676	(124)
Communication	3,800	4,359	3,840	(519)
Supplies & Minor Equipment	2,400	2,400	1,673	(727)
Transportation	2,000	2,000	1,105	(895)
Other Expenses	137,200	136,641	99,382	(37,259)
Total Expenditures	314,770	323,341	283,462	(39,879)
Election Bureau				
Salaries & Benefits	335,371	361,316	348,037	(13,279)
Personnel Expense	1,450	1,450	435	(1,015)
Occupancy	81	81	81	-
Communication	43,000	43,200	36,465	(6,735)
Supplies & Minor Equipment	20,100	20,100	16,316	(3,784)
Transportation	2,000	2,000	1,503	(497)
Contracted Services	6,000	6,000	5,222	(778)
Other Expenses	212,300	212,100	203,360	(8,740)
Total Expenditures	620,302	646,247	611,419	(34,828)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2004**

	Budget		2004	Variance
	Original	Final	Actual	Over (Under)
Assessment/Tax Claim				
Salaries & Benefits	\$ 1,069,414	\$ 1,131,617	\$ 1,105,444	\$ (26,173)
Personnel Expense	8,000	13,145	11,639	(1,506)
Occupancy	2,106	2,106	2,106	-
Communication	150,500	209,528	207,765	(1,763)
Supplies & Minor Equipment	34,100	29,035	25,259	(3,776)
Transportation	25,500	25,500	19,632	(5,868)
Consultant/Contracted	40,000	14,200	1,150	(13,050)
Other Expenses	79,000	84,575	83,281	(1,294)
Total Expenditures	1,408,620	1,509,706	1,456,276	(53,430)
Public Defender				
Salary Reimbursement	-	-	(73,357)	(73,357)
Salaries & Benefits	757,809	867,684	848,352	(19,332)
Personnel Expense	3,900	4,400	4,323	(77)
Occupancy	486	486	486	-
Communication	1,000	1,000	464	(536)
Supplies & Minor Equipment	8,000	8,000	4,859	(3,141)
Transportation	19,000	18,500	10,985	(7,515)
Other Expenses	40,250	40,250	37,348	(2,902)
Total Expenditures	830,445	940,320	833,460	(106,860)
General Government/ Administration				
Contra Revenue Accounts	(1,650,000)	30,000	15,213	(14,787)
Personnel Expense	79,000	78,950	68,704	(10,246)
Occupancy	52,000	3,264	3,263	(1)
Communication	-	-	6	6
Supplies & Minor Equipment	-	-	-	-
Consultant/Contracted	226,000	277,416	243,919	(33,497)
Other Expenses	325,862	19,043	11,493	(7,550)
Total Expenditures	(967,138)	408,673	342,598	(66,075)
Total General Government	\$ 7,822,589	\$ 9,925,318	\$ 9,377,814	\$ (547,504)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2004

	Budget		2004	Variance
	Original	Final	Actual	Over (Under)
JUDICIAL				
Clerk Of Courts				
Salaries & Benefits	\$ 550,598	\$ 585,462	\$ 566,841	\$ (18,621)
Personnel Expense	27,900	27,850	20,571	(7,279)
Occupancy	2,592	2,592	2,592	-
Communication	39,600	33,100	17,018	(16,082)
Supplies & Minor Equipment	20,500	12,000	7,677	(4,323)
Transportation	4,700	2,900	2,888	(12)
Consultant/Contracted	5,500	-	-	-
Other Expenses	1,000	600	386	(214)
Total Expenditures	652,390	664,504	617,973	(46,531)
Coroner				
Salaries & Benefits	171,594	174,433	173,361	(1,072)
Personnel Expense	1,000	1,000	775	(225)
Occupancy	162	162	162	-
Communication	1,950	1,950	1,387	(563)
Supplies & Minor Equipment	600	627	626	(1)
Transportation	1,200	1,200	1,023	(177)
Other Expenses	128,900	117,472	95,258	(22,214)
Total Expenditures	305,406	296,844	272,592	(24,252)
Jury Commission				
Salaries & Benefits	85,168	88,715	88,199	(516)
Communication	9,360	6,546	6,496	(50)
Supplies & Minor Equipment	9,000	3,184	2,378	(806)
Transportation	1,700	1,600	1,508	(92)
Consultant/Contracted	-	4,416	4,416	-
Total Expenditures	105,228	104,461	102,997	(1,464)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2004**

	Budget		2004	Variance
	Original	Final	Actual	Over (Under)
District Attorney				
Salaries & Benefits	\$ 1,411,772	\$ 1,535,202	\$ 1,529,837	\$ (5,365)
Personnel Expense	15,600	16,864	16,825	(39)
Occupancy	2,337	2,337	2,337	-
Communication	10,400	10,640	7,802	(2,838)
Supplies & Minor Equipment	24,000	18,296	15,525	(2,771)
County Match	48,176	48,176	48,176	-
Transportation	10,000	5,000	4,290	(710)
Consultant/Contracted	6,000	6,000	5,785	(215)
Other Expenses	23,500	18,090	7,878	(10,212)
Contra Revenue Accounts	44,160	91,114	55,836	(35,278)
Total Expenditures	1,595,945	1,751,719	1,694,291	(57,428)
Prothonotary				
Salaries & Benefits	635,662	636,600	596,776	(39,824)
Personnel Expense	750	371	340	(31)
Occupancy	5,752	5,752	5,751	(1)
Communication	9,300	12,301	11,203	(1,098)
Supplies & Minor Equipment	18,030	19,631	18,249	(1,382)
Transportation	2,600	1,600	1,380	(220)
Total Expenditures	672,094	676,255	633,699	(42,556)
Register Of Wills				
Salaries & Benefits	311,216	332,354	331,546	(808)
Personnel Expense	760	760	718	(42)
Occupancy	3,324	3,324	3,324	-
Communication	13,550	13,700	11,844	(1,856)
Supplies & Minor Equipment	16,000	16,650	11,952	(4,698)
Transportation	2,000	1,000	719	(281)
Other Expenses	800	-	-	-
Total Expenditures	347,650	367,788	360,103	(7,685)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2004**

	Budget		2004	Variance
	Original	Final	Actual	Over (Under)
Sheriff				
Salaries & Benefits	\$ 2,310,924	\$ 2,401,701	\$ 2,356,828	\$ (44,873)
Personnel Expense	32,700	31,700	30,345	(1,355)
Occupancy	1,010	1,010	979	(31)
Communication	13,400	13,434	11,792	(1,642)
Supplies & Minor Equipment	91,558	78,758	59,304	(19,454)
Transportation	5,000	5,000	3,251	(1,749)
Consultant/Contracted	20,500	23,500	22,170	(1,330)
Other Expenses	45,000	54,266	41,266	(13,000)
Total Expenditures	2,520,092	2,609,369	2,525,935	(83,434)
Court Administration				
Salaries & Benefits	1,615,939	1,707,631	1,635,873	(71,758)
Personnel Expense	68,000	79,759	76,757	(3,002)
Occupancy	1,620	1,620	1,620	-
Communication	9,400	12,232	11,854	(378)
Supplies & Minor Equipment	61,500	61,000	38,942	(22,058)
Transportation	9,000	9,000	4,991	(4,009)
Consultant/Contracted	133,000	118,909	48,641	(70,268)
Other Expenses	80,000	78,000	48,779	(29,221)
Total Expenditures	1,978,459	2,068,151	1,867,457	(200,694)
Law Library				
Salaries & Benefits	52,950	56,428	56,291	(137)
Personnel Expense	82,200	82,198	75,393	(6,805)
Communication	675	677	396	(281)
Supplies & Minor Equipment	1,900	1,690	1,322	(368)
Transportation	75	75	-	(75)
Other Expenses	1,000	1,000	-	(1,000)
Total Expenditures	138,800	142,068	133,402	(8,666)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2004**

	Budget		2004	Variance
	Original	Final	Actual	Over (Under)
District Court 36-1-03				
Salaries & Benefits	\$ 120,883	\$ 126,499	\$ 125,325	\$ (1,174)
Personnel Expense	450	490	461	(29)
Occupancy	24,605	24,605	23,937	(668)
Communication	11,500	11,285	6,832	(4,453)
Supplies & Minor Equipment	9,600	10,525	8,245	(2,280)
Transportation	900	1,075	1,074	(1)
Total	167,938	174,479	165,874	(8,605)
District Court 36-1-01				
Salaries & Benefits	125,948	140,499	139,769	(730)
Personnel Expense	300	489	489	-
Occupancy	12,000	12,000	6,662	(5,338)
Communication	12,400	12,400	7,580	(4,820)
Supplies & Minor Equipment	7,500	7,311	4,340	(2,971)
Transportation	800	800	653	(147)
Total Expenditures	158,948	173,499	159,493	(14,006)
District Court 36-3-02				
Salaries & Benefits	122,936	136,987	135,776	(1,211)
Personnel Expense	500	500	158	(342)
Occupancy	5,800	5,800	5,502	(298)
Communication	13,000	13,000	11,009	(1,991)
Supplies & Minor Equipment	8,000	8,000	5,020	(2,980)
Transportation	800	800	755	(45)
Total Expenditures	151,036	165,087	158,220	(6,867)
District Court 36-2-01				
Salaries & Benefits	154,822	163,124	162,318	(806)
Personnel Expense	450	610	607	(3)
Occupancy	6,900	7,033	6,422	(611)
Communication	13,900	12,605	11,925	(680)
Supplies & Minor Equipment	6,665	7,665	6,024	(1,641)
Transportation	1,000	1,002	1,001	(1)
Total Expenditures	183,737	192,039	188,297	(3,742)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2004**

	Budget		2004	Variance
	Original	Final	Actual	Over (Under)
District Court 36-3-03				
Salaries & Benefits	\$ 162,545	\$ 170,460	\$ 167,060	\$ (3,400)
Personnel Expense	400	400	385	(15)
Occupancy	11,500	11,590	11,267	(323)
Communication	14,900	14,641	11,818	(2,823)
Supplies & Minor Equipment	10,800	11,049	8,030	(3,019)
Transportation	1,000	920	-	(920)
Total Expenditures	201,145	209,060	198,560	(10,500)
District Court 36-3-04				
Salaries & Benefits	119,987	125,933	124,973	(960)
Personnel Expense	200	200	102	(98)
Occupancy	11,900	11,900	7,334	(4,566)
Communication	11,700	11,700	8,500	(3,200)
Supplies & Minor Equipment	8,000	8,275	4,892	(3,383)
Transportation	2,000	2,000	1,421	(579)
Total Expenditures	153,787	160,008	147,222	(12,786)
District Court 36-1-02				
Salaries & Benefits	151,173	168,283	167,267	(1,016)
Personnel Expense	200	230	227	(3)
Occupancy	10,600	10,570	6,161	(4,409)
Communication	13,800	13,800	11,572	(2,228)
Supplies & Minor Equipment	9,000	8,800	6,042	(2,758)
Transportation	500	700	695	(5)
Total Expenditures	185,273	202,383	191,964	(10,419)
District Court 36-3-01				
Salaries & Benefits	123,896	130,188	121,576	(8,612)
Personnel Expense	400	400	40	(360)
Occupancy	10,600	10,600	6,146	(4,454)
Communication	13,300	12,822	9,937	(2,885)
Supplies & Minor Equipment	11,165	11,643	7,079	(4,564)
Transportation	1,000	1,000	635	(365)
Total Expenditures	160,361	166,653	145,413	(21,240)

EXHIBIT B (PAGE 11 OF 23)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2004**

	<u>Budget</u>		<u>2004</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
District Court 36-2-02				
Salaries & Benefits	\$ 162,179	\$ 170,116	\$ 167,744	\$ (2,372)
Personnel Expense	250	250	85	(165)
Occupancy	6,525	6,603	6,367	(236)
Communication	14,800	14,450	11,754	(2,696)
Supplies & Minor Equipment	9,915	9,387	5,849	(3,538)
Transportation	<u>1,000</u>	<u>1,800</u>	<u>1,532</u>	<u>(268)</u>
Total Expenditures	<u>194,669</u>	<u>202,606</u>	<u>193,331</u>	<u>(9,275)</u>
 Total Judicial	 <u>\$ 9,872,958</u>	 <u>\$ 10,326,973</u>	 <u>\$ 9,756,823</u>	 <u>\$ (570,150)</u>

EXHIBIT B (PAGE 12 OF 23)

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2004

	<u>Budget</u>		<u>2004</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
HUMAN SERVICES				
County Matches/Subsidies				
Subsidies	\$ 3,252,800	\$ 2,973,505	\$ 2,967,755	\$ (5,750)
Consultant/Contracted	80,000	101,629	101,628	(1)
County Match	2,071,886	2,255,596	2,375,435	119,839
Other Expenses	14,000	18,946	-	(18,946)
Contra Revenue Accounts	8,000	8,000	6,368	(1,632)
Total Expenditures	<u>5,426,686</u>	<u>5,357,676</u>	<u>5,451,186</u>	<u>93,510</u>
Beaver County Transit Authority				
Subsidies	\$ 810,000	\$ 810,000	810,000	-
Contra Revenue Accounts	900,000	1,454,863	1,454,863	-
Total Expenditures	<u>1,710,000</u>	<u>2,264,863</u>	<u>2,264,863</u>	<u>-</u>
Total Human Services	<u>\$ 7,136,686</u>	<u>\$ 7,622,539</u>	<u>\$ 7,716,049</u>	<u>\$ 93,510</u>

County of Beaver, Pennsylvania

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

Year Ended December 31, 2004

	Budget		2004	Variance
	Original	Final	Actual	Over (Under)
Allencrest Detention Center				
Reimbursement from				
Children/Youth	\$ (1,800,000)	\$ (1,800,000)	\$ (2,120,387)	\$ (320,387)
Salaries & Benefits	1,625,377	1,824,473	1,819,870	(4,603)
Personnel Expense	12,925	10,720	10,520	(200)
Occupancy	53,700	51,800	50,142	(1,658)
Communication	11,450	11,450	7,464	(3,986)
Supplies & Minor Equipment	67,500	59,373	51,856	(7,517)
Transportation	4,000	4,000	763	(3,237)
Consultant/Contracted Svcs	120,000	121,900	121,861	(39)
Other Expenses	51,200	56,200	50,860	(5,340)
Total Expenditures	146,152	339,916	(7,051)	(346,967)
Adult Probation				
Reimbursement from				
Offender's Supervisory				
Fund	(640,000)	(640,000)	(395,857)	244,143
Salaries & Benefits	1,393,159	1,470,062	1,426,343	(43,719)
Personnel Expense	600	600	576	(24)
Communication	7,700	7,700	6,440	(1,260)
Supplies & Minor Equipment	14,000	13,707	8,180	(5,527)
Transportation	5,000	5,293	5,292	(1)
Other Expenses	32,000	32,000	1,384	(30,616)
Total Expenditures	812,459	889,362	1,052,358	162,996

County of Beaver, Pennsylvania

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

Year Ended December 31, 2004

	<u>Budget</u>		<u>2004</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
PUBLIC WORKS				
Department Of Public Works				
Salaries & Benefits	\$ 2,145,877	\$ 2,270,870	\$ 2,176,777	\$ (94,093)
Personnel Expense	4,500	4,500	2,544	(1,956)
Occupancy	39,500	39,500	33,332	(6,168)
Communication	11,950	11,950	9,387	(2,563)
Supplies & Minor Equipment	81,300	59,252	44,419	(14,833)
Transportation	1,814	1,814	290	(1,524)
Other Expenses	39,500	56,069	54,660	(1,409)
Total Expenditures	2,324,441	2,443,955	2,321,409	(122,546)
Airport Of Beaver County				
Salaries & Benefits	176,426	181,095	176,113	(4,982)
Personnel Expense	85	95	94	(1)
Occupancy	76,700	79,992	75,138	(4,854)
Communication	5,300	6,307	5,296	(1,011)
Supplies & Minor Equipment	33,500	26,161	16,722	(9,439)
Transportation	750	750	736	(14)
Consultant/Contracted	15,000	20,764	20,661	(103)
Other Expenses	16,200	17,185	16,900	(285)
Contra Revenue Accounts	13,000	13,000	11,883	(1,117)
Total Expenditures	336,961	345,349	323,543	(21,806)
Buildings And Grounds				
Occupancy	585,900	600,024	538,064	(61,960)
Communication	1,000	1,200	69	(1,131)
Supplies & Minor Equipment	98,000	105,401	70,417	(34,984)
Other Expenses	47,100	96,034	76,349	(19,685)
Total Expenditures	732,000	802,659	684,899	(117,760)
Total Public Works	\$ 3,393,402	\$ 3,591,963	\$ 3,329,851	\$ (262,112)

County of Beaver, Pennsylvania

SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL

GENERAL FUND

Year Ended December 31, 2004

	<u>Budget</u>		<u>2004</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over</u>
				<u>(Under)</u>
CULTURE, RECREATION, AND CONSERVATION				
Conservation District				
Salaries & Benefits	\$ 267,694	\$ 281,847	\$ 270,052	\$ (11,795)
Personnel Expense	2,650	2,650	300	(2,350)
Communication	7,950	8,911	7,843	(1,068)
Supplies & Minor Equip	5,450	5,450	2,452	(2,998)
Transportation	4,500	4,500	208	(4,292)
Other Expenses	5,500	5,690	4,890	(800)
Total Expenditures	<u>293,744</u>	<u>309,048</u>	<u>285,745</u>	<u>(23,303)</u>
Waste Management				
Salaries & Benefits	259,272	274,799	233,139	(41,660)
Personnel Expense	760	760	497	(263)
Occupancy	31,500	31,500	27,649	(3,851)
Communication	7,600	7,950	5,218	(2,732)
Supplies & Minor Equipment	29,700	29,700	16,593	(13,107)
Transportation	3,400	3,400	1,665	(1,735)
Consultant/Contracted Svcs	30,000	20,913	10,556	(10,357)
Other Expenses	51,500	60,237	41,153	(19,084)
Total Expenditures	<u>413,732</u>	<u>429,259</u>	<u>336,470</u>	<u>(92,789)</u>
Agriculture/Ed/Environmental				
Occupancy	31,700	31,700	20,795	(10,905)
Supplies & Minor Equipment	4,850	4,850	-	(4,850)
Other Expenses	1,300	1,300	51	(1,249)
Total Expenditures	<u>37,850</u>	<u>37,850</u>	<u>20,846</u>	<u>(17,004)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL
GENERAL FUND**

Year Ended December 31, 2004

	<u>Budget</u>		<u>2004</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over</u>
				<u>(Under)</u>
DPW-Ballfields				
Salaries & Benefits	\$ 11,367	\$ 11,367	\$ 2,140	\$ (9,227)
Occupancy	2,200	2,200	765	(1,435)
Supplies & Minor Equipment	5,000	5,000	2,661	(2,339)
Other Expenses	10,000	8,000	6,134	(1,866)
Total Expenditures	<u>28,567</u>	<u>26,567</u>	<u>11,700</u>	<u>(14,867)</u>
Recreation				
Communication	-	4,109	2,940	(1,169)
Other Expenses	-	35,941	24,833	(11,108)
Total Expenditures	<u>-</u>	<u>40,050</u>	<u>27,773</u>	<u>(12,277)</u>
Total Culture, Recreation and Conservation	<u>\$ 2,840,353</u>	<u>\$ 3,094,950</u>	<u>\$ 2,803,330</u>	<u>\$ (291,620)</u>

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County of Beaver, Pennsylvania

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2004**

	Budget		2004	Variance
	Original	Final	Actual	Over (Under)
Miscellaneous				
Insurance	\$ 824,910	\$ 628,382	\$ 307,183	\$ (321,199)
Bank charges	105,700	110,548	45,465	(65,083)
Indirect cost study	12,000	12,000	12,000	-
Other expenses	<u>335,000</u>	<u>185,307</u>	<u>137,121</u>	<u>(48,186)</u>
Total expenditures	<u>1,277,610</u>	<u>936,237</u>	<u>501,769</u>	<u>(434,468)</u>
Debt Service				
Principal	1,629,681	1,797,282	1,900,436	103,154
Interest	<u>4,062,868</u>	<u>2,195,111</u>	<u>1,620,559</u>	<u>(574,552)</u>
Total expenditures	<u>5,692,549</u>	<u>3,992,393</u>	<u>3,520,995</u>	<u>(471,398)</u>
Fixed Asset Acquisition				
Improvements	<u>53,700</u>	<u>246,194</u>	<u>251,759</u>	<u>5,565</u>
Infrastructure	<u>10,900</u>	<u>11,006</u>	<u>10,900</u>	<u>(106)</u>
TOTAL EXPENDITURES	<u>\$ 49,329,848</u>	<u>\$ 52,125,169</u>	<u>\$ 48,537,006</u>	<u>\$ (3,588,163)</u>

County of Beaver, Pennsylvania

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2004**

	<u>Special Revenue</u>						
	<u>County Records Improvement</u>	<u>Domestic Relations</u>	<u>Offender's Supervisory</u>	<u>Victim Witness / Stop Grants</u>	<u>Hazardous Materials/ Act 147 Grants</u>	<u>Liquid Fuels</u>	<u>County Office on Aging</u>
ASSETS							
Cash and Cash Equivalents	\$ 39,452	\$ 92,384	\$ 151,993	\$ 28,841	\$ 91,344	\$ 1,499,992	\$ 1,140,623
Due From Other Funds	-	-	-	8,176	-	-	-
Prepaid Other	-	-	-	-	-	-	10,733
Accounts Receivable	2,498	447,606	109,143	40,607	-	135,041	107,684
Investments	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 41,950</u>	<u>\$ 539,990</u>	<u>\$ 261,136</u>	<u>\$ 77,624</u>	<u>\$ 91,344</u>	<u>\$ 1,635,033</u>	<u>\$ 1,259,040</u>
LIABILITIES							
Accounts Payable	\$ 1,497	\$ 8,492	\$ -	\$ 8	\$ 3,374	\$ 205,215	\$ 213,908
Due to Other Funds	-	62,439	-	98,102	28	14,304	60,360
Deferred Revenue	-	-	-	-	46,193	-	-
TOTAL LIABILITIES	<u>1,497</u>	<u>70,931</u>	<u>-</u>	<u>98,110</u>	<u>49,595</u>	<u>219,519</u>	<u>274,268</u>
FUND BALANCE							
Unreserved, designated	3,510	-	-	-	300	21,786	8,752
Unreserved, undesignated	36,943	469,059	261,136	(20,486)	41,449	1,393,728	976,020
TOTAL FUND BALANCE	<u>40,453</u>	<u>469,059</u>	<u>261,136</u>	<u>(20,486)</u>	<u>41,749</u>	<u>1,415,514</u>	<u>984,772</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 41,950</u>	<u>\$ 539,990</u>	<u>\$ 261,136</u>	<u>\$ 77,624</u>	<u>\$ 91,344</u>	<u>\$ 1,635,033</u>	<u>\$ 1,259,040</u>

Capital Projects							Total Nonmajor Governmental Funds
Child Care Resource Management	Totals	Courtroom Improvement	1996 Bond Issue	FAA Projects	Parking Garage	Totals	
\$ 674,356	\$ 3,718,985	\$ 1,374	\$ 4,528	\$ 12,018	\$ 1,144	\$ 19,064	\$ 3,738,049
-	8,176	-	8,750	-	-	8,750	16,926
4,300	15,033	-	-	-	-	-	15,033
789	843,368	-	-	-	-	-	843,368
-	-	25,406	1,747,956	-	6,720	1,780,082	1,780,082
<u>\$ 679,445</u>	<u>\$ 4,585,562</u>	<u>\$ 26,780</u>	<u>\$ 1,761,234</u>	<u>\$ 12,018</u>	<u>\$ 7,864</u>	<u>\$ 1,807,896</u>	<u>\$ 6,393,458</u>
\$ 478,567	\$ 911,061	\$ 5,110	\$ 6,069	\$ 28	\$ -	\$ 11,207	\$ 922,268
16,660	251,893	-	-	8,750	-	8,750	260,643
-	46,193	-	-	-	-	-	46,193
<u>495,227</u>	<u>1,209,147</u>	<u>5,110</u>	<u>6,069</u>	<u>8,778</u>	<u>-</u>	<u>19,957</u>	<u>1,229,104</u>
293	34,641	-	227,082	-	-	227,082	261,723
183,925	3,341,774	21,670	1,528,083	3,240	7,864	1,560,857	4,902,631
<u>184,218</u>	<u>3,376,415</u>	<u>21,670</u>	<u>1,755,165</u>	<u>3,240</u>	<u>7,864</u>	<u>1,787,939</u>	<u>5,164,354</u>
<u>\$ 679,445</u>	<u>\$ 4,585,562</u>	<u>\$ 26,780</u>	<u>\$ 1,761,234</u>	<u>\$ 12,018</u>	<u>\$ 7,864</u>	<u>\$ 1,807,896</u>	<u>\$ 6,393,458</u>

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2004**

	Special Revenue						
	County Records <u>Improvement</u>	Domestic Relations	Offender's Supervisory	Victim Witness / Stop Grants	Hazardous Materials/ Act 147 Grants	Liquid Fuels	County Office on Aging
REVENUES							
Investment Income	\$ 582	\$ 1,506	\$ 2,618	\$ 157	\$ 697	\$ 17,791	\$ 14,579
Intergovernmental	13,427	2,242,630	224,909	342,742	124,054	875,524	4,637,557
Departmental Earnings	67,370	-	251,988	-	-	82,411	-
Program / Project Income	-	51,763	-	-	-	-	72,811
Miscellaneous	-	2,287	-	205	7,662	16,744	10,431
TOTAL REVENUES	81,379	2,298,186	479,515	343,104	132,413	992,470	4,735,378
EXPENDITURES							
Current							
General Government	1,176	-	-	-	-	-	-
Judicial	-	2,186,835	395,857	349,613	-	-	-
Public Safety	-	-	-	-	79,690	-	-
Public Works and Enterprises	-	-	-	-	-	1,020,159	-
Intergovernmental							
Operating / Human Services	-	-	-	-	-	-	4,754,048
Debt Service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital Outlay							
Infrastructure	-	-	-	-	-	-	-
Fixed Asset Acquisition	72,749	6,394	-	-	47,053	279	12,740
TOTAL EXPENDITURES	73,925	2,193,229	395,857	349,613	126,743	1,020,438	4,766,788
Excess (Deficiency) of Revenue over (under) Expenditures	7,454	104,957	83,658	(6,509)	5,670	(27,968)	(31,410)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Proceeds of Long-Term Capital Related Debt	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
Net Changes in Fund Balances	7,454	104,957	83,658	(6,509)	5,670	(27,968)	(31,410)
Fund Balance - Beginning	32,999	364,102	177,478	(13,977)	36,079	1,443,482	1,016,182
Fund Balance - Ending	\$ 40,453	\$ 469,059	\$ 261,136	\$ (20,486)	\$ 41,749	\$ 1,415,514	\$ 984,772

Capital Projects							Total Nonmajor Governmental Totals
Child Care Resource Management	Totals	Courtroom Improvement	1996 Bond Issue	FAA Project	Parking Garage	Totals	
\$ 5,153	\$ 43,083	\$ 399	\$ 49,326	\$ 11	\$ 1,069	\$ 50,805	\$ 93,888
5,864,235	14,325,078	-	-	95,766	-	95,766	14,420,844
-	401,769	-	-	-	-	-	401,769
-	124,574	-	-	-	-	-	124,574
-	37,329	-	-	-	-	-	37,329
-	-	-	-	-	-	-	-
5,869,388	14,931,833	399	49,326	95,777	1,069	146,571	15,078,404
-	1,176	-	41,249	-	-	41,249	42,425
-	2,932,305	-	-	-	-	-	2,932,305
-	79,690	-	-	-	-	-	79,690
-	1,020,159	22,190	-	-	-	22,190	1,042,349
-	-	-	-	-	-	-	-
5,903,798	10,657,846	-	-	-	-	-	10,657,846
-	-	-	-	-	-	-	-
-	-	-	2,170,490	-	-	2,170,490	2,170,490
-	-	-	-	-	-	-	-
-	-	-	103,903	53,099	-	157,002	157,002
13,086	152,301	8,247	413,727	40,907	7,060	469,941	622,242
5,916,884	14,843,477	30,437	2,729,369	94,006	7,060	2,860,872	17,704,349
(47,496)	88,356	(30,038)	(2,680,043)	1,771	(5,991)	(2,714,301)	(2,625,945)
-	-	-	326,800	-	-	326,800	326,800
-	-	-	-	(4,329)	(326,800)	(331,129)	(331,129)
-	-	-	-	-	-	-	-
-	-	-	326,800	(4,329)	(326,800)	(4,329)	(4,329)
(47,496)	88,356	(30,038)	(2,353,243)	(2,558)	(332,791)	(2,718,630)	(2,630,274)
231,714	3,288,059	51,708	4,108,408	5,798	340,655	4,506,569	7,794,628
\$ 184,218	\$ 3,376,415	\$ 21,670	\$ 1,755,165	\$ 3,240	\$ 7,864	\$ 1,787,939	\$ 5,164,354

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2004**

	Budget		2004	Variance
	Original	Final	Actual	Over (Under)
<u>GENERAL GOVERNMENT</u>				
County Records Improvement				
Revenues				
Intergovernmental	\$ -	\$ 13,427	\$ 13,427	\$ -
Departmental Earnings	90,000	90,000	67,370	(22,630)
Interest	600	600	582	(18)
Total Revenues	<u>90,600</u>	<u>104,027</u>	<u>81,379</u>	<u>(22,648)</u>
Expenditures				
Other Expenditures	24,896	23,551	1,176	(22,375)
Capital Outlay	-	77,799	72,749	(5,050)
Total Expenditures	<u>24,896</u>	<u>101,350</u>	<u>73,925</u>	<u>(27,425)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	65,704	2,677	7,454	4,777
Other Financing Sources (Uses)				
Other Financing Uses	-	-	-	-
Total Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - January 1, 2004	<u>35,896</u>	<u>35,896</u>	<u>32,999</u>	<u>(2,897)</u>
Fund Balance - December 31, 2004	<u>\$ 101,600</u>	<u>\$ 38,573</u>	<u>\$ 40,453</u>	<u>\$ 1,880</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2004**

	<u>Budget</u>		<u>2004</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over</u>
				<u>(Under)</u>
<u>JUDICIAL</u>				
Domestic Relations				
Revenues				
Intergovernmental	\$ 2,033,435	\$ 2,069,621	\$ 2,242,630	\$ 173,009
Program / Project Income	51,000	51,000	51,763	763
Interest	500	500	1,506	1,006
Miscellaneous	11,000	11,000	2,287	(8,713)
Total Revenues	<u>2,095,935</u>	<u>2,132,121</u>	<u>2,298,186</u>	<u>166,065</u>
Expenditures				
Salaries & Benefits	1,751,547	1,863,830	1,860,137	(3,693)
Personnel Expense	4,700	6,100	5,499	(601)
Occupancy	648	648	648	-
Communication	50,000	50,407	50,135	(272)
Supplies & Minor Equip.	39,700	32,450	27,341	(5,109)
Transportation	11,140	9,789	9,736	(53)
Consultant/Contracted Svcs.	-	-	-	-
Other Expenditures	228,207	236,328	233,339	(2,989)
Contra Revenue Accounts	-	-	-	-
Capital Outlay	43,200	7,669	6,394	(1,275)
Total Expenditures	<u>2,129,142</u>	<u>2,207,221</u>	<u>2,193,229</u>	<u>(13,992)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(33,207)	(75,100)	104,957	180,057
Fund Balance - January 1, 2004	<u>75,100</u>	<u>75,100</u>	<u>364,102</u>	<u>289,002</u>
Fund Balance - December 31, 2004	<u>\$ 41,893</u>	<u>\$ -</u>	<u>\$ 469,059</u>	<u>\$ 469,059</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2004**

	<u>Budget</u>		<u>2004</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
Offender's Supervisory				
Revenues				
Departmental Earnings	\$ 477,000	\$ 477,000	\$ 251,988	\$ (225,012)
Intergovernmental	400,000	400,000	224,909	(175,091)
Interest	-	-	2,618	2,618
Total Revenues	<u>877,000</u>	<u>877,000</u>	<u>479,515</u>	<u>(397,485)</u>
Expenditures				
Other Expenditures	-	-	-	-
Reimburse Other Funds	640,000	640,000	395,857	(244,143)
Capital Outlay	-	-	-	-
Total Expenditures	<u>640,000</u>	<u>640,000</u>	<u>395,857</u>	<u>(244,143)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	237,000	237,000	83,658	(153,342)
Other Financing Sources (Uses)				
Other Financing Uses	-	-	-	-
Total Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - January 1, 2004	<u>350,000</u>	<u>350,000</u>	<u>177,478</u>	<u>(172,522)</u>
Fund Balance - December 31, 2004	<u>\$ 587,000</u>	<u>\$ 587,000</u>	<u>\$ 261,136</u>	<u>\$ (325,864)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2004**

	<u>Budget</u>		<u>2004</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
Victim Witness / Stop Grant				
Revenues				
Intergovernmental	\$ 351,235	\$ 367,213	\$ 342,742	\$ (24,471)
Interest	-	-	157	157
Miscellaneous	-	-	205	205
Total Revenues	<u>351,235</u>	<u>367,213</u>	<u>343,104</u>	<u>(24,109)</u>
Expenditures				
Salaries & Benefits	243,212	264,421	257,747	(6,674)
Personnel Expense	-	123	118	(5)
Lease Agreements	-	-	-	-
Communication	6,356	2,219	1,656	(563)
Supplies & Minor Equip.	8,584	5,814	3,050	(2,764)
Transportation	5,631	4,604	2,456	(2,148)
Consultant/Contracted Svcs.	-	-	-	-
Other Expenditures	12,844	12,844	12,844	-
Contra Revenue Account	58,500	73,692	71,742	(1,950)
Capital Outlay	691	-	-	-
Total Expenditures	<u>335,818</u>	<u>363,717</u>	<u>349,613</u>	<u>(14,104)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	15,417	3,496	(6,509)	(10,005)
Other Financing Sources (Uses)				
Other Financing Sources	-	-	-	-
Total Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - January 1, 2004	<u>-</u>	<u>-</u>	<u>(13,977)</u>	<u>(13,977)</u>
Fund Balance - December 31, 2004	<u>\$ 15,417</u>	<u>\$ 3,496</u>	<u>\$ (20,486)</u>	<u>\$ (23,982)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2004**

	<u>Budget</u>		<u>2004</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<u>PUBLIC SAFETY</u>				
Hazardous Materials / Act 147 Grants				
Revenues				
Intergovernmental	\$ 128,995	\$ 128,995	\$ 124,054	\$ (4,941)
Interest	800	800	697	(103)
Departmental Earnings	2,500	2,500	-	(2,500)
Miscellaneous	-	-	7,662	7,662
Total Revenues	<u>132,295</u>	<u>132,295</u>	<u>132,413</u>	<u>118</u>
Expenditures				
Salaries & Benefits	2,611	2,611	2,611	-
Personnel Expense	3,500	1,500	233	(1,267)
Occupancy	9,750	9,750	7,957	(1,793)
Communication	10,000	10,000	9,717	(283)
Supplies & Minor Equipment	21,000	25,500	13,476	(12,024)
Transportation	5,000	7,000	5,793	(1,207)
Other Expenditures	47,008	43,609	39,903	(3,706)
Capital Outlay	55,084	63,983	47,053	(16,930)
Total Expenditures	<u>153,953</u>	<u>163,953</u>	<u>126,743</u>	<u>(37,210)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(21,658)	(31,658)	5,670	37,328
Fund Balance - January 1, 2004	<u>105,619</u>	<u>105,619</u>	<u>36,079</u>	<u>(69,540)</u>
Fund Balance - December 31, 2004	<u>\$ 83,961</u>	<u>\$ 73,961</u>	<u>\$ 41,749</u>	<u>\$ (32,212)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2004**

	<u>Budget</u>		<u>2004</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<u>PUBLIC WORKS</u>				
Liquid Fuels				
Revenues				
Intergovernmental	\$ 3,419,600	\$ 3,419,600	\$ 875,524	\$ (2,544,076)
Departmental Earnings	28,655	28,655	82,411	53,756
Interest	17,000	17,000	17,791	791
Miscellaneous	-	-	16,744	16,744
Total Revenues	<u>3,465,255</u>	<u>3,465,255</u>	<u>992,470</u>	<u>(2,472,785)</u>
Expenditures				
Salaries & Benefits	41,402	43,493	43,334	(159)
Personnel Expense	400	389	-	(389)
Consultant/Contracted Svcs.	1,528,000	1,457,038	361,059	(1,095,979)
Sub-Contracted Svcs	1,710,000	1,728,696	374,970	(1,353,726)
Communication	7,500	9,000	2,838	(6,162)
Supplies & Minor Equip.	90,000	104,778	21,877	(82,901)
Transportation	3,000	3,000	2,128	(872)
Other Expenditures	528,560	564,189	213,953	(350,236)
Infrastructure	-	-	-	-
Capital Outlay	105,000	105,279	279	(105,000)
Total Expenditures	<u>4,013,862</u>	<u>4,015,862</u>	<u>1,020,438</u>	<u>(2,995,424)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(548,607)	(550,607)	(27,968)	522,639
Fund Balance - January 1, 2004	<u>1,333,422</u>	<u>1,333,422</u>	<u>1,443,482</u>	<u>110,060</u>
Fund Balance - December 31, 2004	<u>\$ 784,815</u>	<u>\$ 782,815</u>	<u>\$ 1,415,514</u>	<u>\$ 632,699</u>

County of Beaver, Pennsylvania

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

SPECIAL REVENUES FUND

Year Ended December 31, 2004

	<u>Budget</u>		<u>2004</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
<u>HUMAN SERVICES</u>				
Office on Aging				
Revenues				
Intergovernmental	\$ 5,679,460	\$ 5,679,460	\$ 4,637,557	\$ (1,041,903)
Program / Project Income	96,000	96,000	72,811	(23,189)
Interest and Rents	16,800	16,800	14,579	(2,221)
Miscellaneous	26,200	26,200	10,431	(15,769)
Total Revenues	<u>5,818,460</u>	<u>5,818,460</u>	<u>4,735,378</u>	<u>(1,083,082)</u>
Expenditures				
Reimbursement to State	-	-	-	-
Salaries & Benefits	2,077,072	2,217,193	2,029,953	(187,240)
Personnel Expense	24,450	24,550	9,327	(15,223)
Consultant/Contracted Svcs.	130,000	148,900	112,061	(36,839)
Sub Contracted Services	3,808,099	3,747,099	2,267,199	(1,479,900)
Occupancy	282,324	187,203	173,107	(14,096)
Communication	97,500	97,500	46,326	(51,174)
Supplies & Minor Equip.	206,000	211,315	44,188	(167,127)
Transportation	50,000	50,000	35,066	(14,934)
Other Expenditures	94,609	85,857	36,821	(49,036)
Capital Outlay	203,507	203,944	12,740	(191,204)
Total Expenditures	<u>6,973,561</u>	<u>6,973,561</u>	<u>4,766,788</u>	<u>(2,206,773)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(1,155,101)	(1,155,101)	(31,410)	1,123,691
Fund Balance - January 1, 2004	<u>1,198,901</u>	<u>1,198,901</u>	<u>1,016,182</u>	<u>(182,719)</u>
Fund Balance - December 31, 2004	<u>\$ 43,800</u>	<u>\$ 43,800</u>	<u>\$ 984,772</u>	<u>\$ 940,972</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUES FUND
Year Ended December 31, 2004**

	<u>Budget</u>		<u>2004</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
Child Care Resource Management				
Revenues				
Intergovernmental	\$ 5,981,326	\$ 5,981,326	\$ 5,864,235	\$ (117,091)
Interest	4,575	4,575	5,153	578
Miscellaneous	-	-	-	-
Total Revenues	<u>5,985,901</u>	<u>5,985,901</u>	<u>5,869,388</u>	<u>(116,513)</u>
Expenditures				
Reimbursement to State	-	200,000	116,698	(83,302)
Salaries & Benefits	572,836	601,929	514,534	(87,395)
Personnel Expense	2,350	2,257	1,398	(859)
Consultant/Contracted Svcs.	10,500	10,500	6,288	(4,212)
Sub Contracted Services	5,572,499	5,372,499	5,031,879	(340,620)
Occupancy	70,383	72,383	66,457	(5,926)
Communication	37,865	35,109	22,387	(12,722)
Supplies & Minor Equip.	49,000	52,990	43,784	(9,206)
Transportation	5,000	5,000	1,878	(3,122)
Other Expenditures	89,500	104,500	98,495	(6,005)
Capital Outlay	14,000	22,000	13,086	(8,914)
Total Expenditures	<u>6,423,933</u>	<u>6,479,167</u>	<u>5,916,884</u>	<u>(562,283)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(438,032)	(493,266)	(47,496)	445,770
Fund Balance - January 1, 2004	<u>646,234</u>	<u>646,234</u>	<u>231,714</u>	<u>(414,520)</u>
Fund Balance - December 31, 2004	<u>\$ 208,202</u>	<u>\$ 152,968</u>	<u>\$ 184,218</u>	<u>\$ 31,250</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2004**

	Budget		2004	Variance
	Original	Final	Actual	Over (Under)
Courtroom Improvement Project				
Revenues				
Interest	\$ 166	\$ 166	\$ 399	\$ 233
Total Revenues	<u>166</u>	<u>166</u>	<u>399</u>	<u>233</u>
Expenditures				
Fixed Assets	30,887	29,900	8,247	(21,653)
Infrastructure	-	-	-	-
Other Expenditures	<u>23,534</u>	<u>24,521</u>	<u>22,190</u>	<u>(2,331)</u>
Total Expenditures	<u>54,421</u>	<u>54,421</u>	<u>30,437</u>	<u>(23,984)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(54,255)	(54,255)	(30,038)	24,217
Fund Balance - January 1, 2004	54,255	54,255	51,708	(2,547)
Fund Balance - December 31, 2004	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,670</u>	<u>\$ 21,670</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2004**

	Budget		2004	Variance
	Original	Final	Actual	Over (Under)
FAA Projects				
Revenues				
Intergovernmental	\$ 992,500	\$ 996,829	\$ 95,766	\$ (901,063)
Interest	1,050	1,050	11	(1,039)
Total Revenues	<u>993,550</u>	<u>997,879</u>	<u>95,777</u>	<u>(902,102)</u>
Expenditures				
Infrastructure	946,250	946,250	53,099	(893,151)
Fixed Assets	45,984	45,984	40,907	(5,077)
Other Expenditures	-	-	-	-
Total Expenditures	<u>992,234</u>	<u>992,234</u>	<u>94,006</u>	<u>(898,228)</u>
Excess (Deficiency) Revenue Over (Under) Expenditures	1,316	5,645	1,771	(3,874)
Other Financing Sources (Uses)				
Other Financing Sources	-	-	-	-
Other Financing Uses	(1,316)	(5,645)	(4,329)	1,316
Total Financing Sources (Uses)	<u>(1,316)</u>	<u>(5,645)</u>	<u>(4,329)</u>	<u>1,316</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	-	-	(2,558)	(2,558)
Fund Balance - January 1, 2004	<u>-</u>	<u>-</u>	<u>5,798</u>	<u>5,798</u>
Fund Balance - December 31, 2004	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,240</u>	<u>\$ 3,240</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
Year Ended December 31, 2004**

	<u>Budget</u>		<u>2004</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Over (Under)</u>
Parking Garage				
Revenues				
Interest	\$ 2,300	\$ 2,300	\$ 1,069	\$ (1,231)
Total Revenues	<u>2,300</u>	<u>2,300</u>	<u>1,069</u>	<u>(1,231)</u>
Expenditures				
Fixed Assets	-	7,060	7,060	-
Infrastructure	-	-	-	-
Interest	-	-	-	-
Other Expenditures	-	-	-	-
Total Expenditures	<u>-</u>	<u>7,060</u>	<u>7,060</u>	<u>-</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	2,300	(4,760)	(5,991)	(1,231)
Other Financing Sources (Uses)				
Proceeds of Long-Term Capital Related Debt	-	-	-	-
Transfers to 1996 Bond Fund	-	(326,800)	(326,800)	-
Total Financing Sources	<u>-</u>	<u>(326,800)</u>	<u>(326,800)</u>	<u>-</u>
Fund Balance - January 1, 2004	340,655	340,655	340,655	-
Fund Balance - December 31, 2004	<u>\$ 342,955</u>	<u>\$ 9,095</u>	<u>\$ 7,864</u>	<u>\$ (1,231)</u>

County of Beaver, Pennsylvania

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL PROJECTS FUND**

For the Year Ended December 31, 2004

	Budget		2004	Variance
	Original	Final	Actual	Over (Under)
Revenues				
Intergovernmental	\$ 403,290	\$ 403,290	\$ -	\$ (403,290)
Interest	-	28,511	49,326	20,815
Miscellaneous	-	-	-	-
Total Revenues	<u>403,290</u>	<u>431,801</u>	<u>49,326</u>	<u>(382,475)</u>
Expenditures				
Fixed Assets	1,613,400	1,903,450	413,727	(1,489,723)
Infrastructure	305,543	302,300	103,903	(198,397)
Interest	-	2,170,490	2,170,490	-
Other Expenditures	395,166	254,907	41,249	(213,658)
Total Expenditures	<u>2,314,109</u>	<u>4,631,147</u>	<u>2,729,369</u>	<u>(1,901,778)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	(1,910,819)	(4,199,346)	(2,680,043)	1,519,303
Other Financing Sources (Uses)				
Transfer from Parking Garage Fund	-	-	326,800	326,800
Other Financing Uses	(595,000)	(595,000)	-	595,000
Total Financing Sources (Uses)	<u>(595,000)</u>	<u>(595,000)</u>	<u>326,800</u>	<u>921,800</u>
Fund Balance - Beginning	<u>4,661,440</u>	<u>4,794,346</u>	<u>4,108,408</u>	<u>(685,938)</u>
Fund Balance - Ending	<u>\$ 2,155,621</u>	<u>\$ -</u>	<u>\$ 1,755,165</u>	<u>\$ 1,755,165</u>

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

For the Year Ended December 31, 2004

	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
Clerk of Courts				
ASSETS				
Cash and cash equivalents	\$ 216,199	2,168,886	2,018,255	\$ 366,830
	<u>216,199</u>	<u>2,168,886</u>	<u>2,018,255</u>	<u>366,830</u>
LIABILITIES				
Accounts Payable	215,417	2,168,387	2,017,473	366,331
Due to Other Funds	782	499	782	499
	<u>\$ 216,199</u>	<u>2,168,886</u>	<u>2,018,255</u>	<u>\$ 366,830</u>
Clerk of Courts Automation - Act 136				
ASSETS				
Cash and cash equivalents	\$ 15,995	20,399	25,529	\$ 10,865
Due from Other Funds	782	499	782	499
	<u>16,777</u>	<u>20,898</u>	<u>26,311</u>	<u>11,364</u>
LIABILITIES				
Accounts Payable	16,777	20,898	26,311	11,364
	<u>\$ 16,777</u>	<u>20,898</u>	<u>26,311</u>	<u>\$ 11,364</u>
Domestic Relations - Support Payments				
ASSETS				
Cash and cash equivalents	\$ 83,087	463,312	479,709	\$ 66,690
	<u>83,087</u>	<u>463,312</u>	<u>479,709</u>	<u>66,690</u>
LIABILITIES				
Accounts Payable	83,087	463,312	479,709	66,690
	<u>\$ 83,087</u>	<u>463,312</u>	<u>479,709</u>	<u>\$ 66,690</u>
Other Escrow				
ASSETS				
Cash and cash equivalents	\$ 363,275	151,688	181,012	\$ 333,951
Investments	261,563	4,014	-	265,577
Accounts Receivable	45,868	4,877	-	50,745
	<u>670,706</u>	<u>160,579</u>	<u>181,012</u>	<u>650,273</u>
LIABILITIES				
Accounts Payable	670,706	160,579	181,012	650,273
	<u>\$ 670,706</u>	<u>160,579</u>	<u>181,012</u>	<u>\$ 650,273</u>

County of Beaver, Pennsylvania

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

For the Year Ended December 31, 2004

	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
Prothonotary				
ASSETS				
Cash and cash equivalents	\$ 224,798	601,005	684,207	\$ 141,596
	<u>224,798</u>	<u>601,005</u>	<u>684,207</u>	<u>141,596</u>
LIABILITIES				
Accounts Payable	223,558	600,080	682,967	140,671
Due to Other Funds	1,240	925	1,240	925
	<u>\$ 224,798</u>	<u>601,005</u>	<u>684,207</u>	<u>\$ 141,596</u>
Prothonotary Automation Fund				
ASSETS				
Cash and cash equivalents	\$ 20,629	15,676	4,162	\$ 32,143
Due from Other Funds	1,240	925	1,240	925
	<u>21,869</u>	<u>16,601</u>	<u>5,402</u>	<u>33,068</u>
LIABILITIES				
Accounts Payable	21,869	16,601	5,402	33,068
	<u>\$ 21,869</u>	<u>16,601</u>	<u>5,402</u>	<u>\$ 33,068</u>
Recorder of Deeds				
ASSETS				
Cash and cash equivalents	\$ 358,803	8,780,255	8,656,913	\$ 482,145
Accounts Receivable - State	-	3,672	-	3,672
	<u>358,803</u>	<u>8,783,927</u>	<u>8,656,913</u>	<u>485,817</u>
LIABILITIES				
Accounts Payable	349,287	8,780,180	8,647,397	482,070
Due to Other Funds	9,516	3,747	9,516	3,747
	<u>\$ 358,803</u>	<u>8,783,927</u>	<u>8,656,913</u>	<u>\$ 485,817</u>
Recorder Records Improvement				
ASSETS				
Cash and cash equivalents	\$ 106,168	109,691	132,091	\$ 83,768
Due from Other Funds	9,516	3,747	9,516	3,747
	<u>115,684</u>	<u>113,438</u>	<u>141,607</u>	<u>87,515</u>
LIABILITIES				
Accounts Payable	115,684	113,438	141,607	87,515
	<u>\$ 115,684</u>	<u>113,438</u>	<u>141,607</u>	<u>\$ 87,515</u>

County of Beaver, Pennsylvania

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUNDS

For the Year Ended December 31, 2004

	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
Register of Wills				
ASSETS				
Cash and cash equivalents	\$ 57,122	7,681,165	7,694,676	\$ 43,611
Accounts Receivable - State	5,923	4,815	5,923	4,815
	<u>63,045</u>	<u>7,685,980</u>	<u>7,700,599</u>	<u>48,426</u>
LIABILITIES				
Accounts Payable	63,045	7,685,364	7,699,983	48,426
	<u>\$ 63,045</u>	<u>7,685,364</u>	<u>7,699,983</u>	<u>\$ 48,426</u>
 Sheriff				
ASSETS				
Cash and cash equivalents	\$ 371,457	2,607,358	2,682,959	\$ 295,856
	<u>371,457</u>	<u>2,607,358</u>	<u>2,682,959</u>	<u>295,856</u>
LIABILITIES				
Accounts Payable	371,457	2,607,358	2,682,959	295,856
	<u>\$ 371,457</u>	<u>2,607,358</u>	<u>2,682,959</u>	<u>\$ 295,856</u>
 Tax Claims				
ASSETS				
Cash and cash equivalents	\$ 1,373,904	10,754,414	10,635,141	\$ 1,493,177
	<u>1,373,904</u>	<u>10,754,414</u>	<u>10,635,141</u>	<u>1,493,177</u>
LIABILITIES				
Accounts Payable	1,373,904	10,754,414	10,635,141	1,493,177
	<u>\$ 1,373,904</u>	<u>10,754,414</u>	<u>10,635,141</u>	<u>\$ 1,493,177</u>
 Treasurer				
ASSETS				
Cash and cash equivalents	\$ 46,044	247,686	262,414	\$ 31,316
	<u>46,044</u>	<u>247,686</u>	<u>262,414</u>	<u>31,316</u>
LIABILITIES				
Accounts Payable	46,044	247,686	262,414	31,316
	<u>\$ 46,044</u>	<u>247,686</u>	<u>262,414</u>	<u>\$ 31,316</u>

County of Beaver, Pennsylvania

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS**

For the Year Ended December 31, 2004

	<u>Balance January 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2004</u>
Total - Agency Funds				
ASSETS				
Cash and cash equivalents	\$ 3,237,481	33,601,534	33,457,067	\$ 3,381,948
Investments	261,563	4,014	-	265,577
Due from Other Funds	11,538	5,171	11,538	5,171
Accounts Receivable - State	51,791	13,364	5,923	59,232
	<u>3,562,373</u>	<u>33,624,083</u>	<u>33,474,528</u>	<u>3,711,928</u>
LIABILITIES				
Accounts Payable	3,550,835	33,650,554	33,494,632	3,706,757
Due to Other Funds	11,538	5,171	2,022	5,171
	<u>\$ 3,562,373</u>	<u>33,655,725</u>	<u>33,496,654</u>	<u>\$ 3,711,928</u>

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STATISTICAL SECTION

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County of Beaver, Pennsylvania
General Revenues by Source for all Governmental Fund Types - Last Ten Years
1995-2004

	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Investment Income</u>	<u>Inter Governmental Revenues</u>	<u>Project Revenues</u>
1995	\$ 23,234,718	\$ 25,167	\$ 1,542,548	\$ 35,835,824	\$ 970,067
1996	\$ 23,381,882	\$ 40,834	\$ 1,362,239	\$ 37,294,399	\$ 903,586
1997	\$ 30,039,445	\$ 45,129	\$ 4,583,408	\$ 41,951,072	\$ 985,650
1998	\$ 30,852,922	\$ 86,993	\$ 5,217,055	\$ 44,953,946	\$ 1,214,911
1999	\$ 28,632,793	\$ 89,527	\$ 5,305,292	\$ 49,758,901	\$ 1,302,569
2000	\$ 28,843,943	\$ 74,734	\$ 4,855,017	\$ 58,044,698	\$ 2,058,171
2001	\$ 28,163,762	\$ 80,080	\$ 2,886,844	\$ 58,203,733	\$ 1,873,172
2002	\$ 31,715,029	\$ 112,552	\$ 1,337,353	\$ 63,124,529	\$ 2,245,428
2003	\$ 32,798,112	\$ 120,258	\$ 984,415	\$ 70,025,840	\$ 2,558,023
2004	\$ 32,890,800	\$ 77,137	\$ 828,021	\$ 71,617,067	\$ 3,010,237

<u>Charges for</u> <u>Services</u> <u>and Facilities</u>	<u>Misc.</u> <u>Revenues</u>	<u>Total</u>
\$ 4,222,838	\$ 1,177,683	\$ 67,008,845
\$ 3,482,247	\$ 1,782,272	\$ 68,247,459
\$ 3,565,983	\$ 1,378,268	\$ 82,548,955
\$ 3,730,534	\$ 1,367,860	\$ 87,424,221
\$ 4,746,117	\$ 1,033,070	\$ 90,868,269
\$ 4,825,494	\$ 1,117,811	\$ 99,819,868
\$ 4,933,711	\$ 1,319,288	\$ 97,460,590
\$ 5,754,603	\$ 1,827,143	\$ 106,116,637
\$ 6,190,617	\$ 1,681,517	\$ 114,358,782
\$ 6,014,249	\$ 2,443,662	\$ 116,881,173

County of Beaver, Pennsylvania
General Government Expenditures by Function
for all Governmental Fund Types-Last Ten Years
1995-2004

<u>Year</u>	<u>General</u> <u>Government</u>	<u>Judicial</u>	<u>Public</u> <u>Safety</u>	<u>Public</u> <u>Works</u>	<u>Culture,</u> <u>Recreation and</u> <u>Conservation</u>
1995	\$ 7,153,923	\$ 6,810,780	\$ 8,618,404	\$ 2,266,959	\$ 9,194,337
1996	\$ 7,576,303	\$ 8,692,502	\$ 7,210,269	\$ 2,387,472	\$ 7,988,113
1997	\$ 7,769,568	\$ 9,147,423	\$ 7,711,409	\$ 10,854,203	\$ 2,023,762
1998	\$ 7,615,930	\$ 9,459,935	\$ 8,096,825	\$ 9,217,563	\$ 1,958,900
1999	\$ 7,683,790	\$ 9,589,475	\$ 7,721,749	\$ 10,542,735	\$ 2,380,613
2000	\$ 7,799,771	\$ 10,450,728	\$ 9,582,188	\$ 13,805,776	\$ 2,470,877
2001	\$ 8,085,258	\$ 10,995,762	\$ 10,337,838	\$ 12,297,826	\$ 2,839,711
2002	\$ 8,765,584	\$ 11,983,149	\$ 11,040,261	\$ 13,566,984	\$ 3,098,146
2003	\$ 9,026,172	\$ 12,557,536	\$ 12,176,861	\$ 13,666,279	\$ 3,250,341
2004	\$ 9,420,239	\$ 12,689,128	\$ 11,347,406	\$ 12,675,793	\$ 2,803,330

Notes:

(1) - Prior to 1997, infrastructure was included in various other functions.

<u>Human Services</u>	<u>Miscellaneous</u>	<u>Debt Service</u>	<u>Infrastructure (1)</u>	<u>Fixed Assets</u>	<u>Total</u>
\$ 27,769,353	\$ 484,728	\$ 2,014,608	\$ -	\$ 2,849,537	\$ 67,162,629
\$ 30,763,006	\$ 446,444	\$ 2,023,883	\$ -	\$ 3,140,699	\$ 70,228,691
\$ 33,251,040	\$ 621,498	\$ 5,968,244	\$ 396,958	\$ 2,299,869	\$ 80,043,974
\$ 36,040,330	\$ 404,920	\$ 4,812,778	\$ 1,222,630	\$ 5,774,639	\$ 84,604,450
\$ 39,315,567	\$ 781,221	\$ 5,183,895	\$ 1,711,933	\$ 16,486,701	\$ 101,397,679
\$ 44,453,791	\$ 603,553	\$ 5,176,110	\$ 4,626,633	\$ 20,052,497	\$ 119,021,924
\$ 49,185,726	\$ 456,648	\$ 5,222,240	\$ 784,048	\$ 12,433,834	\$ 112,638,891
\$ 56,536,369	\$ 592,953	\$ 5,352,171	\$ 1,281,767	\$ 17,754,912	\$ 129,972,296
\$ 61,068,794	\$ 795,143	\$ 4,772,095	\$ 245,318	\$ 2,990,460	\$ 120,548,999
\$ 66,354,133	\$ 501,769	\$ 5,691,485	\$ 167,902	\$ 1,156,853	\$ 122,808,038

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County of Beaver, Pennsylvania
Real Property Tax Levies and Collections
Assessed Value of Taxable Property - Last Ten Years
1995-2004

<u>Year</u>	<u>Tax Rate (Mills)</u>	<u>Certified Estimated Assessed Valuation</u>	<u>End of Year Actual Assessed Valuation</u>	<u>Total Taxes Levied</u>
1995	12.40	\$ 1,814,701,059	\$ 1,822,671,309	\$ 22,502,293
1996	12.40	\$ 1,830,548,706	\$ 1,836,309,435	\$ 22,698,804
1997	16.20	\$ 1,841,873,815	\$ 1,844,607,919	\$ 29,838,358
1998	16.20	\$ 1,864,177,198	\$ 1,866,911,302	\$ 30,199,670
1999	15.00	\$ 1,883,258,077	\$ 1,884,621,372	\$ 28,248,871
2000	13.70	\$ 2,025,875,575	\$ 2,029,109,475	\$ 27,798,799
2001	13.70	\$ 2,018,564,905	\$ 2,028,251,318	\$ 27,787,043
2002	15.70	\$ 2,038,174,715	\$ 2,046,020,103	\$ 32,122,516
2003	15.70	\$ 2,060,223,221	\$ 2,082,764,421	\$ 32,699,401
2004	15.70	\$ 2,082,764,421	\$ 1,989,040,400	\$ 32,699,595

Source: Beaver County Board of Property Assessment

<u>Current Tax Collections</u>	<u>Percentages of Levy Collected During Year</u>	<u>Delinquent & Lien Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as Percentage of Taxes Levied</u>
\$ 20,182,453	89.69%	\$ 3,052,265	\$ 23,234,718	103.25%
\$ 20,350,860	89.66%	\$ 3,031,022	\$ 23,381,882	103.01%
\$ 26,681,914	89.42%	\$ 3,357,531	\$ 30,039,445	100.67%
\$ 27,101,142	89.74%	\$ 3,751,780	\$ 30,852,922	102.16%
\$ 25,365,530	89.79%	\$ 3,267,263	\$ 28,632,793	101.36%
\$ 25,477,666	91.65%	\$ 3,366,277	\$ 28,843,943	103.76%
\$ 25,077,723	90.25%	\$ 3,086,040	\$ 28,163,763	101.36%
\$ 28,870,520	89.88%	\$ 2,844,509	\$ 31,715,029	98.73%
\$ 29,549,369	90.37%	\$ 3,248,743	\$ 32,798,112	100.30%
\$ 29,615,181	90.57%	\$ 3,275,619	\$ 32,890,800	100.58%

County of Beaver, Pennsylvania
Assessed and Estimated Actual Value of Property
Last Ten Years

<u>Fiscal Year</u>	<u>End of Year Actual Assessed Valuation</u> (1)	<u>End of Year Estimated Actual Valuation</u> (2)	<u>Common Level Factor</u> (3)
1995	\$ 1,822,671,309	\$ 4,228,597,437	2.32
1996	\$ 1,836,309,435	\$ 4,407,142,644	2.40
1997	\$ 1,844,607,919	\$ 4,519,289,402	2.45
1998	\$ 1,866,911,302	\$ 4,816,631,159	2.58
1999	\$ 1,884,621,372	\$ 4,858,805,839	2.58
2000	\$ 2,029,109,475	\$ 4,051,751,150	2.00
2001	\$ 2,028,251,318	\$ 4,056,502,636	2.00
2002	\$ 2,046,020,103	\$ 5,873,170,018	2.85
2003	\$ 2,082,764,421	\$ 6,440,360,708	2.89
2004	\$ 1,989,040,400	\$ 6,424,600,492	3.23

(1) Beaver County Board of Property Assessment

(2) Calculation

(3) Pennsylvania State Tax Equillization Board

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County of Beaver, Pennsylvania
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
Per \$1000 of Assessed Value

Municipality and School District

Source: Beaver County Board of Property Assessment

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
City of Beaver Falls					
Municipal	30.00	28.00	28.00	24.00	24.00
School District	56.00	56.00	54.00	52.00	49.00
City of Aliquippa					
Municipal	89.00	89.00	86.00	77.00	79.00
School District	193.00	185.00	185.00	165.00	165.00
Ambridge Borough					
Municipal	30.50	28.50	28.50	28.50	28.50
School District	56.00	53.00	53.00	51.00	49.00
Baden Borough					
Municipal	17.00	17.00	17.00	17.00	17.00
School District	56.00	53.00	53.00	51.00	49.50
Beaver Borough					
Municipal	18.00	16.50	16.50	14.50	14.50
School District	52.50	50.50	48.00	45.00	43.50
Bridgewater Borough					
Municipal	23.00	23.00	21.00	20.00	20.00
School District	52.50	50.50	48.00	45.00	43.50
Conway Borough					
Municipal	19.00	17.50	14.50	12.50	12.50
School District	37.00	37.00	36.00	36.00	36.00
Darlington Borough					
Municipal	7.40	7.40	7.40	7.40	7.40
School District	44.90	44.90	44.90	41.90	41.90
East Rochester Borough					
Municipal	18.00	18.00	17.00	17.00	17.00
School District	47.00	42.00	44.00	41.50	41.50

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
24.00	24.00	24.00	24.00	24.00
48.00	48.00	46.00	46.00	46.00
79.00	79.00	79.00	79.00	81.00
165.00	165.00	162.00	162.00	163.00
29.00	30.00	29.00	25.00	25.00
47.00	43.00	43.00	41.00	41.00
17.00	17.00	15.50	15.50	15.50
47.00	43.00	43.00	41.00	41.00
14.50	14.50	14.50	14.50	14.50
42.50	42.50	40.50	38.00	36.50
20.00	18.50	18.50	18.50	18.50
42.50	42.50	40.50	38.00	36.50
9.50	9.50	9.50	9.50	9.50
36.00	36.00	34.00	34.00	34.00
7.40	7.40	7.40	7.40	7.40
40.90	40.90	40.90	40.90	40.90
14.00	14.00	14.00	14.00	14.00
41.50	41.50	41.50	41.50	41.50

County of Beaver, Pennsylvania
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
Per \$1000 of Assessed Value

Municipality and School District

Source: Beaver County Board of Property Assessment

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
(Continued)					
Eastvale Borough					
Municipal	22.00	22.00	20.00	20.00	18.00
School District	56.00	56.00	54.00	52.00	49.00
Ellwood City Borough					
Municipal	0.00	0.00	0.00	0.00	0.00
School District	0.00	0.00	0.00	0.00	0.00
Fallston Borough					
Municipal	14.00	14.00	12.00	12.00	12.00
School District	46.00	40.00	40.00	38.00	36.00
Frankfort Springs Borough					
Municipal	2.00	2.00	2.00	2.00	2.00
School District	50.00	34.00	34.00	28.00	28.00
Freedom Borough					
Municipal	22.00	22.00	19.75	19.75	17.75
School District	37.00	37.00	36.00	36.00	36.00
Georgetown Borough					
Municipal	4.00	4.00	4.00	4.00	4.00
School District	50.00	34.00	34.00	28.00	28.00
Glasgow Borough					
Municipal	10.00	10.00	10.00	10.00	10.00
School District	37.50	37.50	37.50	37.50	37.50
Homewood Borough					
Municipal	12.00	12.00	12.00	12.00	12.00
School District	56.00	56.00	54.00	52.00	49.00
Hookstown Borough					
Municipal	3.00	3.00	3.00	3.00	3.00
School District	50.00	34.00	34.00	28.00	28.00

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
18.00 48.00	18.00 48.00	18.00 46.00	18.00 46.00	18.00 46.00
0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00
12.00 36.00	12.00 36.00	12.00 36.00	10.00 36.00	10.00 36.00
2.00 40.00	2.00 40.00	2.00 36.00	2.00 36.00	2.00 36.00
17.75 36.00	17.75 36.00	15.75 34.00	15.75 34.00	15.75 34.00
4.00 40.00	4.00 40.00	4.00 36.00	4.00 36.00	4.00 36.00
10.00 37.50	10.00 37.50	10.00 37.50	10.00 37.50	10.00 37.50
12.00 48.00	12.00 48.00	12.00 46.00	12.00 46.00	10.00 46.00
3.00 40.00	3.00 40.00	3.00 36.00	3.00 36.00	3.00 36.00

County of Beaver, Pennsylvania
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
Per \$1000 of Assessed Value

Municipality and School District

Source: Beaver County Board of Property Assessment

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
(Continued)					
Koppel Borough					
Municipal	12.00	12.00	12.00	12.00	12.00
School District	56.00	56.00	54.00	52.00	49.00
Midland Borough					
Municipal	30.00	26.50	26.50	26.50	26.50
School District	28.00	28.00	31.00	33.00	35.00
Monaca Borough					
Municipal	21.40	21.40	18.90	18.90	16.00
School District	42.00	42.00	42.00	42.00	40.00
New Brighton Borough					
Municipal	24.00	22.86	22.86	22.86	20.86
School District	46.00	40.00	40.00	38.00	36.00
New Galilee Borough					
Municipal	10.50	10.50	11.50	11.50	11.50
School District	56.00	56.00	54.00	52.00	49.00
Patterson Heights Borough					
Municipal	14.00	14.00	14.00	14.00	14.00
School District	44.90	44.90	44.90	41.90	41.90
Rochester Borough					
Municipal	29.50	27.00	27.00	25.50	25.50
School District	47.00	42.00	44.00	41.50	41.50
Shippingport Borough					
Municipal	1.00	1.00	1.00	1.00	1.00
School District	50.00	34.00	34.00	28.00	28.00
South Heights Borough					
Municipal	19.50	14.50	14.50	14.50	14.50
School District	56.00	53.00	53.00	51.00	49.50

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
12.00	12.00	12.00	10.00	10.00
48.00	48.00	46.00	46.00	46.00
26.50	26.50	26.50	26.50	26.50
35.00	35.00	33.00	33.00	33.00
16.00	16.00	14.70	14.70	14.70
40.00	40.00	38.50	38.50	38.50
20.86	20.86	20.25	20.25	20.25
36.00	36.00	36.00	36.00	36.00
10.50	10.50	13.00	8.00	7.00
48.00	48.00	46.00	46.00	46.00
13.00	13.00	13.00	13.00	13.00
40.90	40.90	40.90	40.90	40.90
23.50	23.50	20.50	20.50	19.00
41.50	41.50	41.50	41.50	41.50
39.00	0.39	0.39	0.39	0.39
40.00	40.00	36.00	36.00	36.00
14.50	14.50	11.50	11.50	11.50
47.00	43.00	43.00	41.00	41.00

County of Beaver, Pennsylvania
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
Per \$1000 of Assessed Value

Municipality and School District

Source: Beaver County Board of Property Assessment

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
(Continued)					
West Mayfield Borough					
Municipal	13.75	12.25	12.25	12.25	12.25
School District	44.90	44.90	44.90	41.90	41.90
Big Beaver Borough					
Municipal	11.50	11.50	11.50	11.50	11.50
School District	56.00	56.00	54.00	52.00	49.00
Vanport Township					
Municipal	16.50	16.50	16.50	16.50	16.50
School District	52.50	50.50	48.00	45.00	43.50
Brighton Township					
Municipal	7.00	7.00	6.00	6.00	6.00
School District	52.50	50.50	48.00	45.00	43.50
Center Township					
Municipal	7.00	7.00	7.00	7.00	7.00
School District	45.10	44.10	43.10	43.10	43.10
Chippewa Township					
Municipal	12.00	12.00	10.00	10.00	10.00
School District	44.90	44.90	44.90	41.90	41.90
Darlington Township					
Municipal	6.00	6.00	5.00	5.00	6.00
School District	44.90	44.90	44.90	41.90	41.90
Daugherty Township					
Municipal	6.50	6.50	6.50	6.50	6.50
School District	46.00	40.00	40.00	38.00	36.00
Economy Borough					
Municipal	14.00	14.00	14.00	11.50	11.50
School District	56.00	53.00	53.00	51.00	49.50

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
12.25 40.90	12.25 40.90	12.25 40.90	12.25 40.90	12.25 40.90
11.50 48.00	11.50 48.00	10.00 46.00	10.00 46.00	9.00 46.00
16.50 42.50	16.50 42.50	16.50 40.50	16.50 38.00	16.50 36.50
6.00 42.50	5.00 42.50	5.00 40.50	5.00 38.00	5.00 36.50
6.00 40.60	6.00 40.60	6.00 40.60	6.00 40.60	6.00 40.60
9.00 40.90	9.00 40.90	7.00 40.90	7.00 40.90	7.00 40.90
8.00 40.90	8.00 40.90	5.00 40.90	3.00 40.90	3.00 40.90
6.50 36.00	6.50 36.00	6.50 36.00	6.50 36.00	6.50 36.00
11.50 47.00	11.50 43.00	8.50 43.00	8.50 41.00	8.50 41.00

County of Beaver, Pennsylvania
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
Per \$1000 of Assessed Value

Municipality and School District

Source: Beaver County Board of Property Assessment

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
(Continued)					
Franklin Township					
Municipal	5.00	5.00	5.00	5.00	5.00
School District	55.50	55.50	53.50	48.00	47.00
Greene Township					
Municipal	7.50	6.00	6.00	6.00	6.00
School District	50.00	34.00	34.00	28.00	28.00
Hanover Township					
Municipal	5.00	4.00	4.00	4.00	4.00
School District	50.00	34.00	34.00	28.00	28.00
Harmony Township					
Municipal	19.28	18.28	18.28	18.28	18.28
School District	56.00	53.00	53.00	51.00	49.50
Hopewell Township					
Municipal	11.00	10.00	10.00	10.00	10.00
School District	62.50	61.00	57.00	56.00	53.00
Independence Township					
Municipal	10.50	10.50	9.50	9.50	9.50
School District	62.50	61.00	57.00	56.00	53.00
Industry Borough					
Municipal	12.00	12.00	12.00	12.00	12.00
School District	37.50	37.50	37.50	37.50	37.50
Marion Township					
Municipal	3.50	3.50	3.50	3.50	2.50
School District	55.50	55.50	53.50	48.00	47.00
New Sewickley Township					
Municipal	11.50	8.50	8.50	7.50	7.50
School District	37.00	37.00	36.00	36.00	36.00

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
5.00 46.00	5.00 46.00	5.00 46.00	3.00 46.00	4.00 43.00
5.00 40.00	5.00 40.00	5.00 36.00	4.00 36.00	4.00 36.00
4.00 40.00	4.00 40.00	4.00 36.00	4.00 36.00	4.00 36.00
18.28 47.00	18.28 43.00	18.28 43.00	16.00 41.00	12.50 41.00
9.00 50.00	9.00 50.00	9.00 48.00	9.00 47.00	10.00 45.00
7.50 50.00	5.50 50.00	5.50 48.00	5.50 47.00	5.50 45.00
12.00 37.50	12.00 37.50	12.00 37.50	10.00 37.50	10.00 37.50
2.50 46.00	2.50 46.00	2.50 46.00	2.50 46.00	2.50 43.00
8.25 36.00	9.25 36.00	9.25 34.00	9.25 34.00	9.25 34.00

County of Beaver, Pennsylvania
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years
Per \$1000 of Assessed Value

Municipality and School District

Source: Beaver County Board of Property Assessment

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
(Continued)					
North Sewickley Township					
Municipal	3.00	3.00	3.00	3.00	3.00
School District	55.50	55.50	53.50	48.00	47.00
Ohioville Borough					
Municipal	9.00	9.00	9.00	9.00	9.00
School District	37.50	37.50	37.50	37.50	37.50
Patterson Township					
Municipal	12.00	10.00	9.00	7.00	7.00
School District	44.90	44.90	44.90	41.90	41.90
Potter Township					
Municipal	7.00	7.00	7.00	7.00	7.00
School District	45.10	44.10	43.10	43.10	43.10
Pulaski Township					
Municipal	11.00	11.00	11.00	11.00	11.00
School District	46.00	40.00	40.00	38.00	36.00
Raccoon Township					
Municipal	10.00	7.50	7.50	5.50	5.50
School District	62.50	61.00	57.00	56.00	53.00
Rochester Township					
Municipal	22.38	20.38	20.382	15.38	15.38
School District	47.00	42.00	44.00	41.50	41.50
South Beaver Township					
Municipal	10.00	8.00	8.00	8.00	6.00
School District	44.90	44.90	44.90	41.90	41.90
White Township					
Municipal	14.00	14.00	14.00	14.00	14.00
School District	56.00	56.00	54.00	52.00	49.00

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
3.00	3.00	3.00	3.00	9.25
46.00	46.00	46.00	46.00	34.00
9.00	8.50	8.50	7.00	3.00
37.50	37.50	37.50	37.50	43.00
7.00	7.00	7.00	7.00	7.00
40.90	40.90	40.90	40.90	37.50
7.00	7.00	7.00	7.50	7.00
40.60	40.60	40.60	40.60	40.90
11.00	11.00	11.00	11.00	7.50
36.00	36.00	36.00	36.00	40.60
4.00	4.00	4.00	4.00	3.25
50.00	50.00	48.00	47.00	45.00
13.88	13.88	8.88	8.88	7.88
41.50	41.50	41.50	41.50	41.50
6.00	6.00	6.00	6.00	6.00
40.90	40.90	40.90	40.90	40.90
14.00	11.00	11.00	9.00	9.00
48.00	48.00	46.00	46.00	46.00

County of Beaver, Pennsylvania
Ratio of Net General Bonded Debt to Assessed Valuation
and Net Bonded Debt Per Capita
1995 - 2004

<u>Year</u>	<u>Gross Bonded Debt</u>	<u>Debt Payable From Enterprise Fund</u>	<u>Net Bonded Debt</u>	<u>End of Year Actual Assessed Valuation</u>
1995	\$ 24,631,596	\$ 6,425,000	\$ 18,206,596	\$ 1,882,671,309
1996	\$ 80,986,143	\$ 6,760,000	\$ 74,226,143	\$ 1,836,309,435
1997	\$ 83,606,277	\$ 6,480,000	\$ 77,126,277	\$ 1,844,607,914
1998	\$ 82,519,046	\$ 6,525,000	\$ 75,994,046	\$ 1,866,911,302
1999	\$ 81,081,664	\$ 6,250,000	\$ 74,831,664	\$ 1,883,258,077
2000	\$ 79,546,522	\$ 5,905,000	\$ 73,641,522	\$ 2,029,109,475
2001	\$ 77,899,699	\$ 5,540,000	\$ 72,359,699	\$ 2,028,251,318
2002	\$ 80,371,859	\$ 5,170,000	\$ 75,201,859	\$ 2,046,020,103
2003	\$ 80,662,685	\$ 6,018,792	\$ 74,643,893	\$ 2,046,020,103
2004	\$ 78,248,873	\$ 5,505,416	\$ 72,743,457	\$ 1,989,040,400

<u>Percentage of Net Debt to Assessed Valuation</u>	<u>Population</u>	<u>Net Debt Per Capita</u>
0.97%	187,979	\$ 96.85
4.04%	187,009	\$ 396.91
4.18%	186,000	\$ 414.66
4.07%	184,406	\$ 412.10
3.97%	182,687	\$ 409.62
3.63%	181,412	\$ 405.94
3.57%	182,687	\$ 396.09
3.68%	182,687	\$ 411.64
3.65%	182,687	\$ 408.59
3.66%	182,687	\$ 398.19

County of Beaver, Pennsylvania
Computation of Legal Debt Margin
December 31, 2004

Borrowing Base Revenues:

2002	47,206,744
2003	48,607,567
2004	<u>49,030,640</u>

Total revenues	<u>\$ 144,844,951</u>
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Debt Limit For General Obligation Bonds:

Average borrowing base revenues	\$ 48,281,650
Debt Limit - 300% of average	144,844,951
Total amount of debt applicable to debt limit	<u>78,248,873</u>

Legal debt margin	<u>\$ 66,596,078</u>
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Debt Limit For General Obligation Bonds and Lease Rental Debt:

Average borrowing base revenues	\$ 48,281,650
Debt Limit - 400% of average	193,126,601
Total amount of debt applicable to debt limit	<u>101,284,541</u>

Legal debt margin	<u>\$ 91,842,060</u>
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County of Beaver, Pennsylvania
Ratio of Annual Debt Service for General Bonded Debt to Total
General Government Expenditures - Last Ten Years
1995-2004

Fiscal Year	Principal	Interest	Debt Service	Total Expenditures	Ratio of Debt Service to General Expenditures
1995	\$ 1,305,000	\$ 709,608	\$ 2,014,608	\$ 67,162,629	3.0%
1996	\$ 1,370,000	\$ 650,883	\$ 2,020,883	\$ 70,228,691	2.9%
1997	\$ 1,435,000	\$ 3,765,252	\$ 5,200,252	\$ 80,043,974	6.5%
1998	\$ 1,505,000	\$ 3,307,778	\$ 4,812,778	\$ 84,604,450	5.6%
1999	\$ 1,565,000	\$ 3,618,895	\$ 5,183,895	\$ 101,397,679	5.1%
2000	\$ 1,625,000	\$ 3,556,295	\$ 5,181,295	\$ 119,021,924	4.4%
2001	\$ 1,735,000	\$ 3,487,240	\$ 5,222,240	\$ 112,638,891	4.6%
2002	\$ 1,905,000	\$ 3,447,171	\$ 5,352,171	\$ 129,972,296	4.1%
2003	\$ 801,544	\$ 3,878,269	\$ 4,679,813	\$ 120,548,999	3.9%
2004	\$ 1,900,436	\$ 3,791,049	\$ 5,691,485	\$ 122,808,038	4.6%

Notes:

Excludes General Obligation Bonds of the Enterprise Fund,
bond issue costs and accreted interest.

County of Beaver, Pennsylvania
Summary of Direct and Overlapping Debt
Year Ended December 31, 2004

County of Beaver(1).....	\$ 78,248,873
Various school districts and school district authorities(2).....	\$ 146,543,975
Various municipalities(3).....	<u>57,177,937</u>
Subtotal.....	<u>\$ 203,721,912</u>
 Total direct and overlapping debt.....	 <u>\$ 281,970,785</u>

RATIO TOTAL DIRECT AND OVERLAPPING DEBT

To assessed value.....	13.54%
To market value.....	4.38%
Per capita.....	\$ 1,543.46

Notes:

(1) NOTE J

(2) Under the Constitution of the Commonwealth of Pennsylvania, the Commonwealth is charged with the duty of supporting and maintaining an efficient public school system. In addition, the partial reimbursement that the Commonwealth provides for current year expenditures, it also fulfills its mandate by providing fiscal assistance for debt service and lease rental reimbursement. This figure is net of the Commonwealth's 45.05% subsidy.

Source: Individual school districts as of June 30, 2004.

(3) Source: Individual municipalities as of December 31, 2003

County of Beaver, Pennsylvania
Salaries of Principal Officials
For the Year Ended December 31, 2004

	<u>Salary</u>
<u>COMMISSIONERS</u>	
Donatella, Dan - Chairman	\$ 54,208
Camp, Charles	51,946
Albert, James	51,946
 <u>CONTROLLER</u>	
Towclmak, Richard W.	51,060
 <u>TREASURER</u>	
Javens, Connie T.	48,560
 <u>CLERK OF COURTS</u>	
Enslen, Judy R.	48,560
 <u>CORONER</u>	
Tatalovich, Wayne	48,560
 <u>DISTRICT ATTORNEY</u>	
Fouse, Dale	72,735
 <u>JURY COMMISSIONERS</u>	
Colella, Dorothy A.	11,293
Loxley, Nancy	11,293
 <u>PROTHONOTARY</u>	
Werme, Nancy	48,560
 <u>RECORDER OF DEEDS</u>	
Beall, Janice J.	48,560
 <u>REGISTER OF WILLS/CLERK OF ORPHANS' COURT</u>	
Florucci, Carol R.	50,560
 <u>SHERIFF</u>	
DeLuca Jr., Felix A.	48,560

Source: Beaver County Payroll Department

County of Beaver, Pennsylvania
Demographic Statistics

Population of Beaver County

<u>Year</u>	<u>Population</u>	<u>Percentage Increase (Decrease)</u>
1960	206,948	N/A
1970	208,418	0.71%
1980	204,441	-1.91%
1990	186,093	-8.97%
2000	181,412	-2.52%
2001	182,687	0.70%

Source: U. S. Census: 1960,1970,1980,1990 and PA State Data Center, 2001

Beaver County Labor Force Data
1995 - 2004 Annual Average
(Data in Thousands)

<u>Year</u>	<u>Civilian Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Rate of Unemployment</u>
1995	84.2	79.1	5.1	6.0%
1996	84.5	80.0	4.2	5.0%
1997	85.5	81.2	4.4	5.1%
1998	85.7	81.2	4.5	5.3%
1999	85.6	81.5	4.1	4.8%
2000	85.0	81.4	3.6	4.3%
2001	86.6	82.2	4.4	5.1%
2002	88.1	82.5	5.6	6.4%
2003	85.0	80.1	4.9	5.8%
2004	90.6	85.8	4.8	5.3%

Source: Pennsylvania Department of Labor and Industry,
Bureau of Research and Statistics

County of Beaver, Pennsylvania
Top Ten Real Estate Taxpayers
Year Ended December 31, 2004

<u>Taxpayers</u>	2004 <u>Assessed Valuation</u>	Percentage of Total <u>Assessment (1)</u>
Bruce Mansfield Plant	\$ 132,008,343	6.64%
Pittsburgh National Bank, Trustee for Beaver Valley Mall - excludes Kaufmann's Department Store	27,882,500	1.40%
United States Gypsum	15,313,050	0.77%
Horsehead Industries	12,800,200	0.64%
PA Northern Lights Shoppers City	10,378,700	0.52%
Lowes	10,265,900	0.52%
J & L Specialty Steel	10,152,650	0.51%
NOVA	9,600,000	0.48%
Koppel Steel (Ambridge & Koppel)	9,488,000	0.48%
Gypsum Plant (Shippingport)	8,594,300	0.44%
	<hr/>	<hr/>
	\$ 246,483,643	12.40%

(1) Total County of Beaver Actual Assessed Valuation: \$ 1,989,040,400

Source: Beaver County Board of Property Assessment

County of Beaver, Pennsylvania
Property Value, Nonresidential and Residential Construction, and Bank Deposits
Last Ten Years
1995 - 2004

Fiscal Year	End of Year Actual Assessed Valuation	Nonresidential Construction Contract Awards		Residential Building Permits		Bank Deposits (In Millions)
		Number of Projects	Value in 000's	Number of Units	Value in 000's	
1995	\$ 1,822,671,309	393	\$ 100,964	373	\$ 32,951	\$ 647,208
1996	\$ 1,836,309,435	360	\$ 182,904	333	\$ 32,314	\$ 686,904
1997	\$ 1,844,607,919	382	\$ 71,789	325	\$ 41,102	\$ 752,216
1998	\$ 1,866,911,302	441	\$ 150,019	364	\$ 45,219	\$ 367,211
1999	\$ 1,884,621,372	438	\$ 162,767	358	\$ 45,705	\$ 391,932
2000	\$ 2,029,109,475	451	\$ 118,362	430	\$ 54,476	\$ 416,335
2001	\$ 2,028,251,318	372	\$ 112,777	345	\$ 45,596	\$ 288,300
2002	\$ 2,046,020,103	365	\$ 87,184	344	\$ 49,239	\$ 301,996
2003	\$ 2,082,764,421	214	\$ 49,241	355	\$ 63,008	\$ 302,745
2004	\$ 1,989,040,400	372	\$ 65,361	400	\$ 73,743	\$ 340,803

Sources: F.W. Dodge Division of McGraw Hill - Residential and Nonresidential Statistics
Federal Reserve Bank of Cleveland - Bank Deposits

County of Beaver, Pennsylvania
Miscellaneous Statistical Data
December 31, 2004

<u>Date of County Organization:</u>	March 12, 1800
<u>Form of Government:</u>	Board of Commissioners
<u>Area in Square Miles:</u>	441
<u>Elections:</u>	
Number of registered voters	122,351
Number of votes cast in last general election	86,609
Percentage of registered voters voting in last general election	70.79%
<u>Recreation (County Owned and Operated)</u>	
Parks - number of acres	2517
- number of facilities	3
Number of tennis courts	16
Number of ball fields	9
Number of swimming pools	1
Number of ice skating rinks	1
Number of soccer fields	1
Number of shooting ranges	4
Number of bike trails	2
Number of Horse riding trails	2
Number of walking and jogging trails	2
Number of lakes (stocked for fishing)	1
<u>Full and Part-Time Employees (as of December 31, 2004)</u>	
Full-time	1,255
Part-time	196
Total	<u>1,451</u>
<u>Miles of Roads</u>	
Miles paved	20
Lane miles	40
<u>Number of Bridges</u>	
Between 8 feet and 20 feet	18
20 feet and over	39
Total	<u>57</u>

Source: Various County Departments